

6 November 2024

## Suncorp 2024 Investor Strategy Update

Suncorp (ASX: SUN | ADR: SNMCY) is hosting an Investor Strategy Update today, providing an in-depth overview of its business portfolios, strategic priorities and key enabling programs of work that will deliver value for stakeholders as a pure play Trans-Tasman general insurance company, following the sale of Suncorp Bank and the New Zealand life insurance business. The presentation is attached.

Suncorp's FY25-27 strategy focuses on improving customer experiences and generating appropriate risk adjusted returns within each portfolio, supported by improved resilience across the business. The strategy is enabled by investment in two strategic initiatives, platform modernisation, centred on the Digital Insurer platform transformation, and operational excellence, which includes the deployment of new artificial intelligence capabilities. The cost of all strategic investments is included in outlook guidance, and Suncorp reaffirms its FY25 underlying Insurance Trading Ratio guidance towards the top of the 10% to 12% range.

Suncorp Chief Executive Officer and Managing Director Steve Johnston said significant programs of work were well underway to deliver on our strategic priorities and ambition to be the leading Trans-Tasman insurer by FY27.

"Our time, resources and capital are now devoted to supporting our customers, growing our insurance portfolios, elevating our leading brands, and further digitising and innovating across our business," Mr Johnston said.

"Our strategy is designed to improve the way we deliver contemporary and affordable insurance products to keep pace with the evolving expectations of customers.

"Modern, intelligent, cloud-based core systems that allow agility and innovation in product design will be the rule rather than the exception. Claims processes will become frictionless but with enhanced safety nets to manage complexity and vulnerability. Alongside this, process and operational efficiency will reduce the burden on pricing when input costs rise.

"We have the opportunity to test a range of innovative reinsurance solutions to protect our balance sheet, while continuing our advocacy to limit the impacts of climate change, build greater community and household resilience to extreme weather and help address pressures on insurance affordability.

"Having established the financial architecture of our business we expect the dividends of our strategy will be shared amongst our investors, customers and of course, our people. That's the basis of a sustainable, purpose led business."

### Other matters

Suncorp continues to expect net proceeds from the sale of Suncorp Bank to be around \$4.1 billion. Subject to the capital needs of the business, these proceeds are expected to be returned to shareholders around the end of the first quarter of calendar year 2025. The timing remains subject to relevant approvals, including the Australian Taxation Office and Australian Prudential Regulation Authority.

The sale of the New Zealand life insurance business is expected to complete around the end of January 2025 and is subject to approval from the Reserve Bank of New Zealand.

The update will commence at 9:00am AEDT and a live video webcast can be accessed via the [Suncorp Group website](#). A recording will be made available following the event.

Authorised for lodgement with the ASX by the Suncorp Disclosure Committee.

ENDS

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# Investor strategy update

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**6 November 2024**  
**9:00am (AEDT)**

SUNCORP GROUP LIMITED | ABN 66 145 290 124

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# Introduction & strategy overview

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Steve Johnston

Chief Executive Officer

# Purpose driven, delivering strong outcomes for the long term

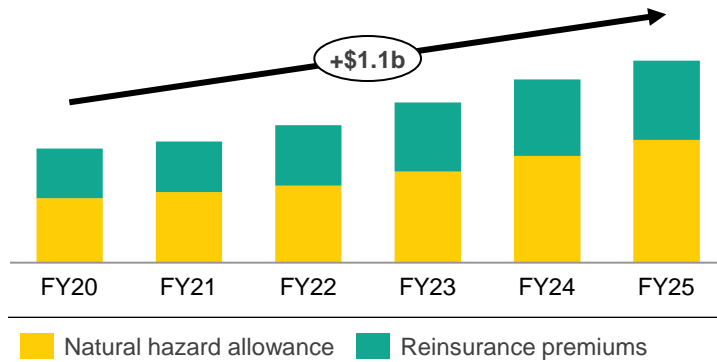
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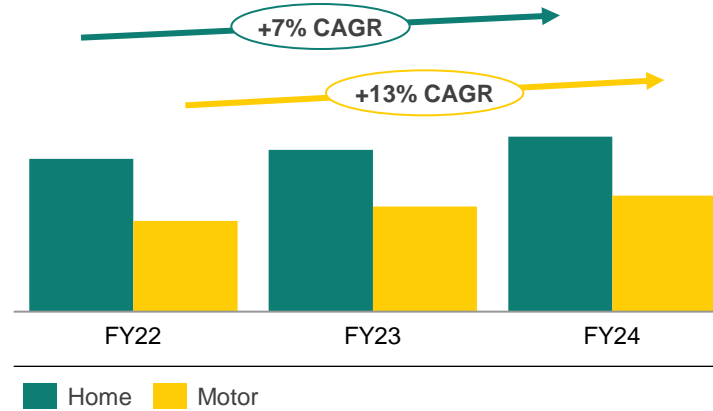
# Cost of living challenges

## Insurance input cost drivers

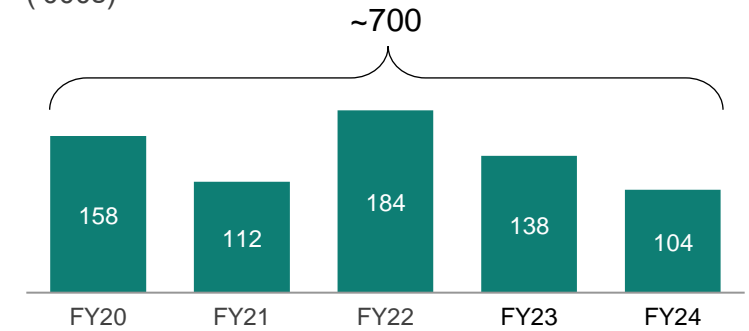
COST OF NATURAL HAZARDS



COST PER POLICY



NUMBER OF NATURAL HAZARD CLAIMS ('000s)



### Short term response

- ✓ ASIC “navigating the storm” response
- ✓ Parliamentary flood inquiry
- ✓ More constructive reinsurance markets

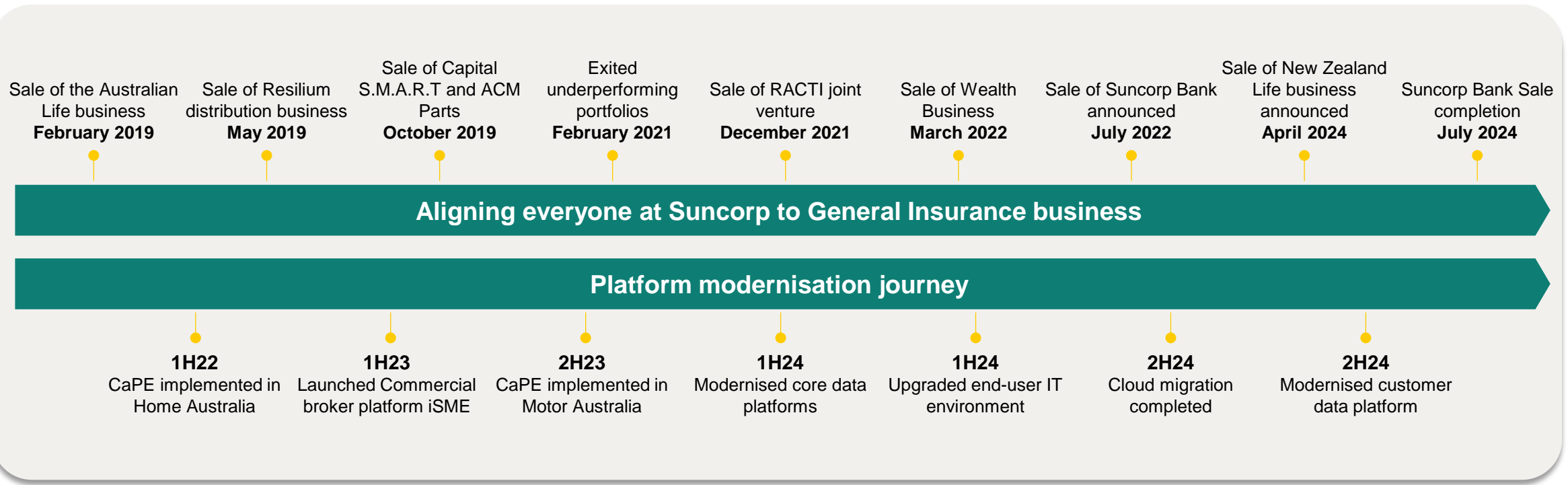
### Longer term response

- ✓ Industry leading protection & prevention solutions
- ✓ Best in class claims
- ✓ Modern cloud-based technology
- ✓ Market leading expense ratios

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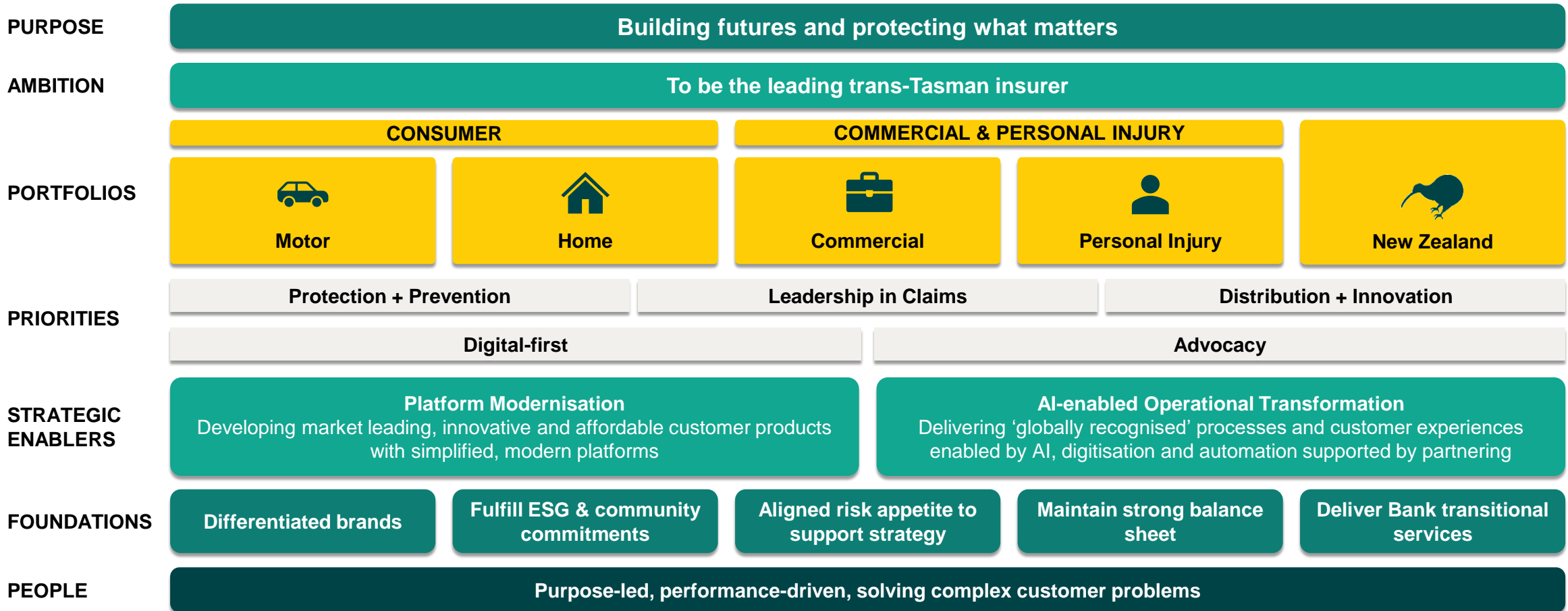
# Reshaping and simplifying

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# FY25-27 priorities

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# Agenda

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9:00 – 9:10	Introduction & strategy overview Steve Johnston
9:10 – 9:25	Financial update & capital management Jeremy Robson
9:25 – 9:35	Risk settings Bridget Messer
9:35 – 9:55	Strategic Enablers Adam Bennett
9:55 – 10:05	Break
10:05 – 10:20	Consumer strategy Lisa Harrison

10:20 – 10:35	Commercial & Personal Injury strategy Michael Miller
10:35 – 10:50	New Zealand strategy Jimmy Higgins
10:50 – 11:20	Q&A Executive Leadership Team
11:20 – 11:35	Break
11:35 - 12:50	Breakout sessions Session 1: Artificial Intelligence Session 2: Digital Insurer Session 3: Climate modelling & disaster management
12:50 – 1:30	Lunch

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# Financial update & capital management

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Jeremy Robson

Chief Financial Officer

# Investment proposition

A well-managed business that consistently delivers on growth and returns

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Profitable growth



Strong risk adjusted returns



Strong and well managed balance sheet

Optimised reinsurance program

Asset allocation strategy



Disciplined capital management

Consistent dividend payout ratio

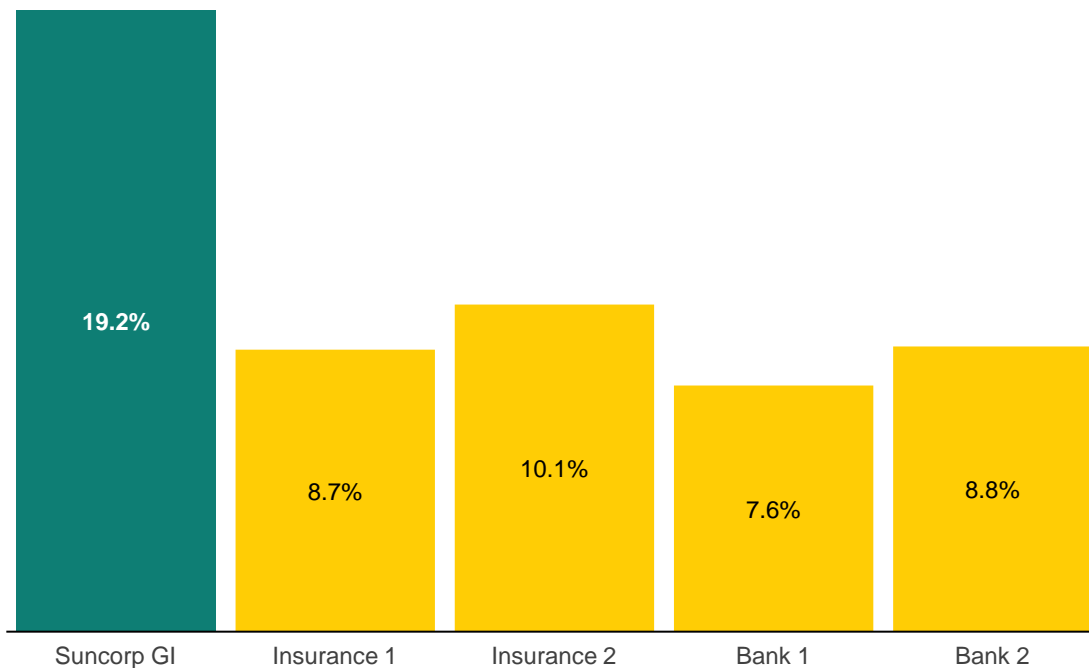
Resilient capital settings

Active capital management incl. on-market buybacks

# Historical returns and performance

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**GROWTH IN FUNDAMENTAL SHAREHOLDER VALUE<sup>1</sup>**  
(FY18 – FY24 CAGR<sup>2</sup>)



**NOTES**

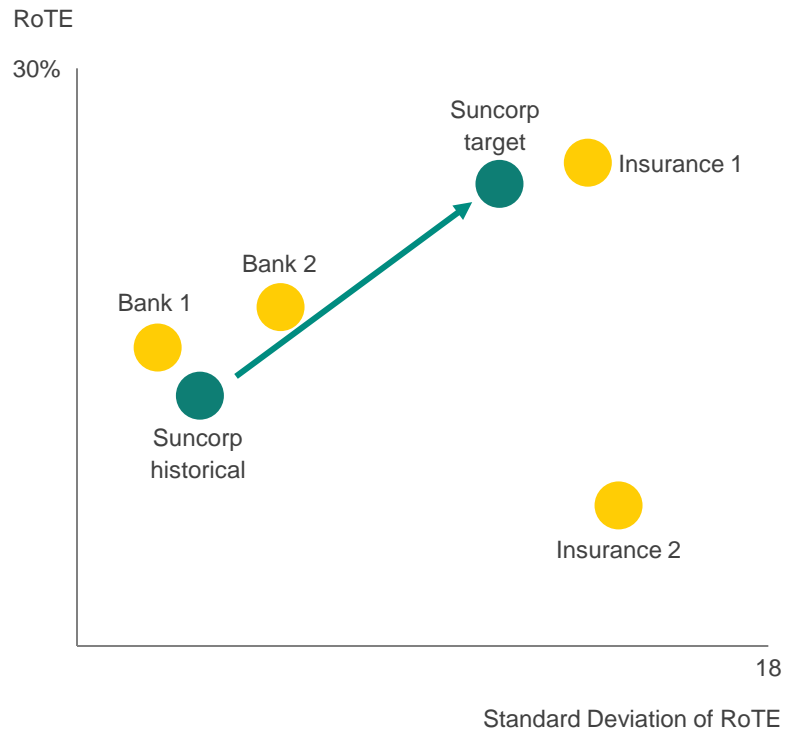
- Growth in net tangible assets combined with dividends paid provides a useful proxy for measuring fundamental value creation
- Suncorp has a strong history of generating shareholder value with Fundamental Shareholder Value<sup>1</sup> growing significantly ahead of peers over past five years
- Shareholder returns include consistent dividends generated organically by the business units

1. Fundamental Shareholder Value is defined as change in tangible book value per share plus the cumulative dividends paid to shareholders over the period  
 2. Suncorp and Insurance 1 utilise actuals; Insurance 2, Bank 1 and Bank 2 utilise consensus estimates for FY24.

# Returns and volatility framework

## Attractive, sustainable returns and resilient margins

### RISK RETURN PROFILE VS PEERS<sup>1</sup>



### NOTES

- Suncorp targets a risk-adjusted return on tangible capital in the top quartile of the ASX 200
- Suncorp's volatility and return requirements are recalculated each year to reflect changes in business volumes and risk mix, including the impact of changes in reinsurance arrangements
- The framework requires that higher returns must be delivered to shareholders if those returns become more volatile
- The application of this framework currently equates to a Group UITR target of 10% to 12%

### IMPROVED RESILIENCE IN UNDERLYING MARGINS

<b>Robust natural hazard allowance</b>	<b>Less reliance on reserve releases</b>	<b>Investment in growth</b>	<b>Disciplined expense management</b>
Up \$200m to \$1.56b in FY25	From 1.5% in FY23 to 0.4% in FY25	Absorbed in margin, including Digital Insurer investment of ~\$560m <sup>2</sup>	Industry leading expense ratio

1. Based on returns from FY12 to FY24  
 2. Digital Insurer total investment including capex; ~90% of spend between by the end of FY27

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# Capital management



## Dividends

Consistent payout ratio in the middle of our target range of 60% to 80% of cash earnings

Expect dividends will continue to be fully franked



## Capital management

Continue to take a conservative approach to managing the balance sheet, and will operate with capital in the top half of the target range

Periodically return capital in excess of the needs of the business via active on-market buyback facility

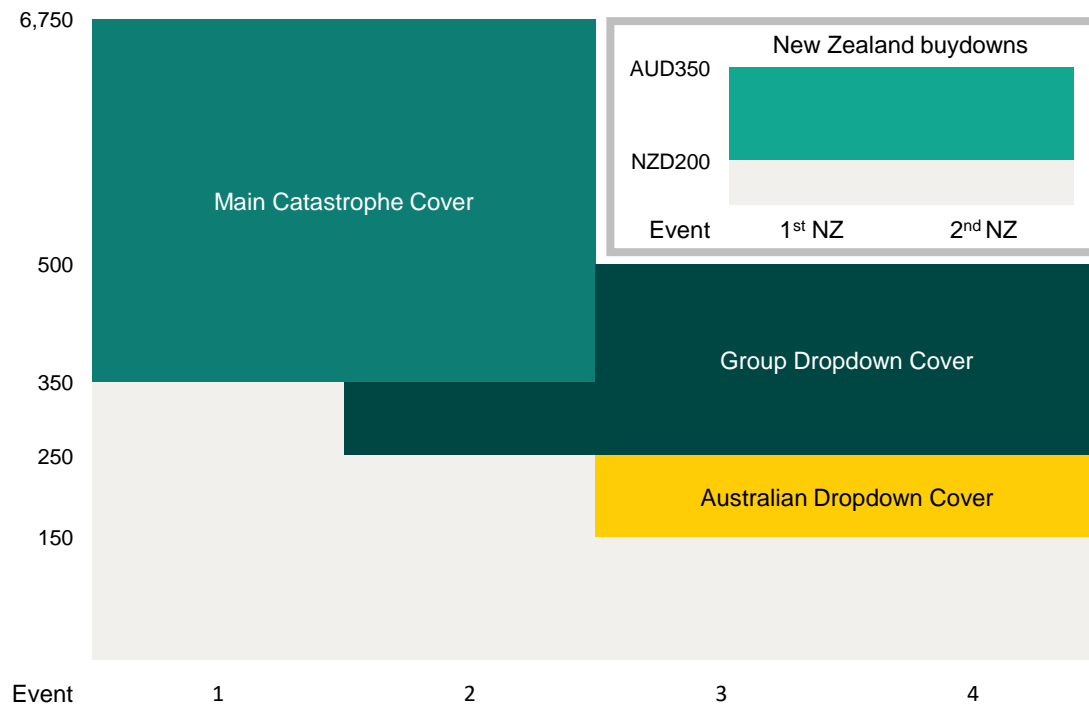
### IMPACT OF BANK SALE ON HYBRID CAPITAL

- \$1.15b of SGL issued hybrid capital left undeployed after purchase of internal notes by ANZ
- \$635m will be utilised in the GI business units to fund growth and recent gearing changes in the GI holding company
- \$510m surplus capital remains stranded, not material and allowed for in net proceeds

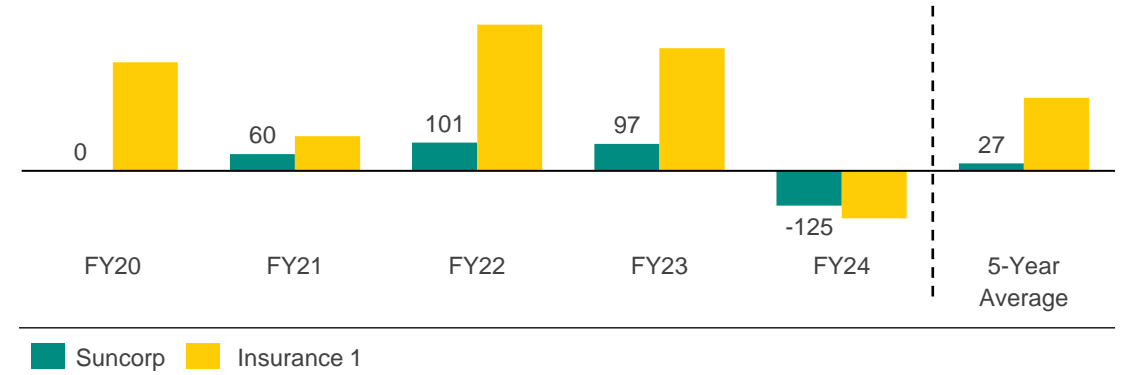
# Natural hazards and reinsurance

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**FY25 REINSURANCE PROGRAM**  
(\$m)



**NATURAL HAZARD ALLOWANCE VERSUS ACTUAL**  
(\$m)



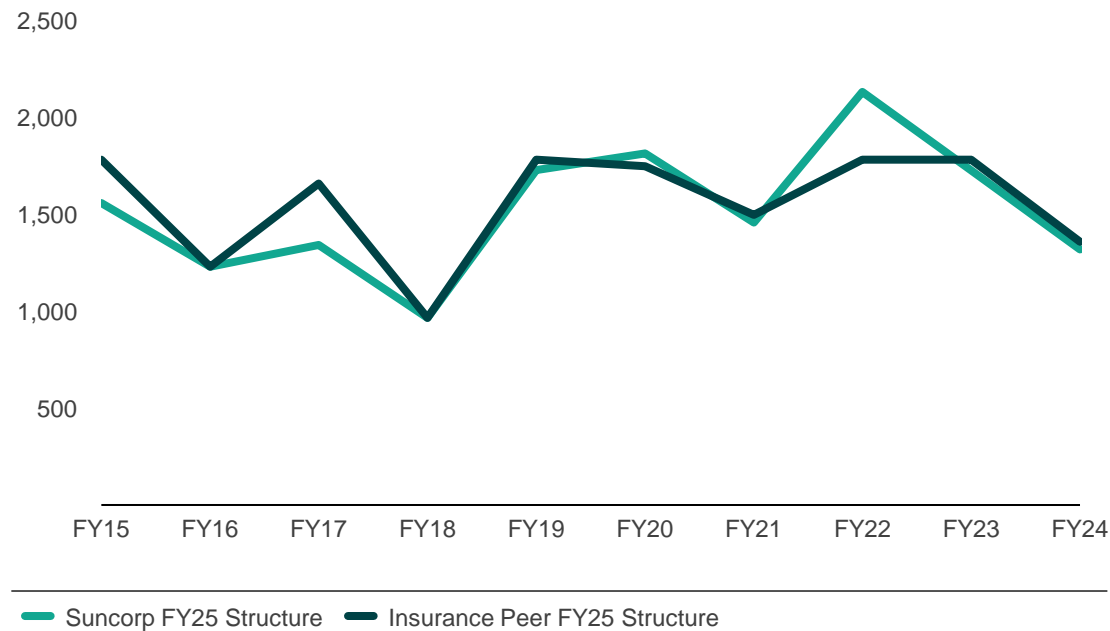
**NOTES**

- Vertical and sideways protection
- Balanced between managing volatility, capital requirements and retaining profitable exposure
- Strong historical track record with the natural hazard allowance broadly sufficient on average over the last five years, despite a period of unfavourable climate patterns

# Reinsurance structure versus peer

## SUNCORP AND PEER FY25 REINSURANCE PROGRAM APPLIED HISTORICALLY

(Estimated retained natural hazard cost; \$m)



## NOTES

- In most years, our primary peer’s current reinsurance arrangements would be broadly equivalent to Suncorp’s current arrangements
- In some years Suncorp’s cover would provide better protection, primarily in years with a small number of medium to large events
- The only time the peer’s cover would provide materially more protection is when there is an unusually large number of events as happened in FY22
- While Suncorp assumes marginally more volatility, we are not paying profit away in the form of margins to reinsurers
- Suncorp will now reassess reinsurance options, but timing important including market pricing cycle

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# Suncorp approach to reinsurance

Alternative structures to augment our current program continue to be assessed against a framework seeking to generate sustainable shareholder value through the cycle

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OBJECTIVES

**Optimise returns (ROE) and manage volatility of earnings**

KEY CONSIDERATIONS

**Risk / Return tradeoff**

- Optimise returns (ROE) per unit of volatility (risk/return curve)
- Maintain upside potential in low event years
- Limit downside risk above natural hazard allowance

**Sustainability of program**

- Sustainable protection that continues to be available
- Aligned with our view on climate risk over the longer term

**Manage model risk**

- Protect against downside risk from unexpected changes in experience

OUTCOME

**Sustainable shareholder value creation through the cycle leading to a valuation re-rate**

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# Risk settings

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Bridget Messer

Chief Risk Officer




# Suncorp risk profile

Our risk profile is now simpler and we are well equipped to respond to macro risk trends

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## What has changed in our risk profile?

Sale of the Bank positive for overall risk profile

-  Operational and regulatory risks reduced
-  Financial risk reduces in overall relevance
-  Insurance risk increases in overall relevance
-  Transitional services and technology transformation elevate our risks, with robust mitigation in place

## Macro-risk trends

We are responding to macro trends and strategic risks through our business plan

-  E2E technology and AI
-  Climate change and risk mitigation
-  Changes in customer behaviour
-  Geopolitical risks
-  Customer affordability and access
-  Evolving workforce and workspaces
-  Regulator/ Government intervention
-  New cyber threats

# Risk at Suncorp

Risk management at Suncorp is mature and embedded with four key areas of advantage

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## Sophisticated risk appetite fueled by multi-brand strategy

- Multiple underwriting risk appetites to tailor for different customer needs
- Strong control of distribution channels
- Track record of underwriting foresight

## Robust operational risk management

- Enterprise Risk Management Framework geared to respond and manage a complex operational risk environment
- Data enabled risk management

## Risk aware people

- Focus on 'Doing the right thing'
- Strong culture of accountability
- Embedding culture of 'safe to try'
- Purpose led

## Proactive response to future trends and risks

- Investing in science-based climate modelling
- Advocating for resilient communities
- Proactive adaptation of risk systems to ingest AI safely at scale and speed
- First to have a Customer Advocate

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# Strategic enablers

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Adam Bennett

Chief Information Officer

# Strategic enablers

Our strategy, across all five portfolios, is underpinned by two technology-focussed strategic enablers

## Platform Modernisation

Developing market leading, innovative and affordable customer products with simplified, modern platforms



Better customer propositions



Reduce complexity



Business agility



Enables innovation

## AI-enabled Operational Transformation

Delivering 'globally recognised' processes and customer experiences enabled by AI, digitisation and automation supported by partnering



Service excellence



Process and workforce efficiency



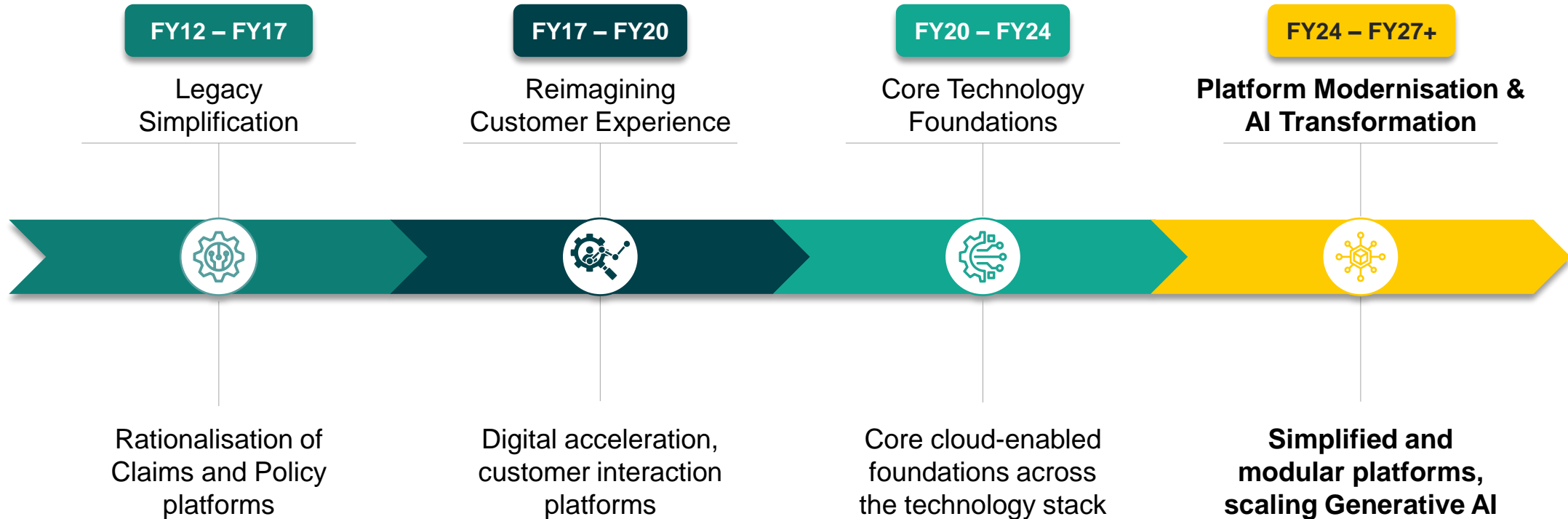
Improve risk controls

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# Our transformation journey

Suncorp has a strong track record of driving value from technology and transformation programs

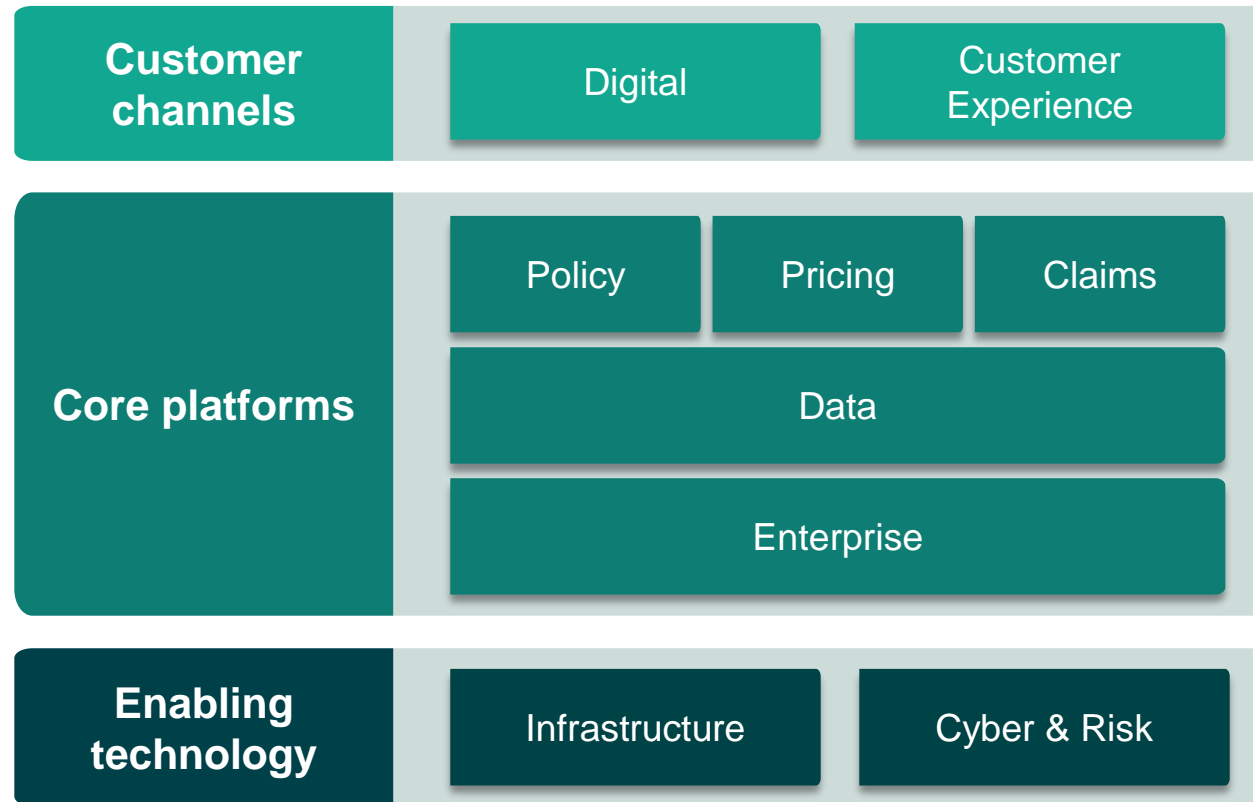
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# The last four years – *core technology foundations*

We have successfully delivered major transformations across our end-to-end technology landscape

## Technology landscape



## Key shifts

### Digital-first

- Digital sales, service and claims uplift
- Customer identity platform replacement

### Simplified platform foundations

- Pricing enriched by multiple live datasets (CaPE)
- Intermediated SME underwriting platform (iSME)
- Reformed and modernised data ecosystem
- New data science and AI platform
- Separated bank platforms and data

### Cloud-enabled

- Over 90% of workloads hosted in public cloud
- Next generation end user computing
- Uplifted Cyber controls

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# The next horizon of Platform Modernisation

With the core tech foundations in place, we are progressing the next phase of our modernisation roadmap

## Our case for change

**1** High cost and technology complexity to create modern digital experiences on legacy technology

**2** Constrained agility to change and support new product innovation and distribution models



## Options considered

**A** Further “hollowing out” of legacy Policy platform (Protect)

**B** “Green field” Policy platform for new product innovation only

**C** Migrate portfolios onto a modern Policy platform, integrated into a simplified E2E technology stack





***Digital Insurer – Policy Transformation***

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# Digital Insurer – *Policy Transformation*

Policy Transformation is the centrepiece program of our Platform Modernisation agenda

Our “North Star” – *Simplify to Grow*

-  Digitally-enabled products
-  Modular and re-usable
-  Common as possible, different as necessary
-  Better customer propositions

Target-state Policy Transformation ecosystem


- Digital Experience |  Adobe Experience Manager
- Policy |  Duck Creek Technologies
- Pricing |  earnix
- Customer correspondence |  SMART COMMUNICATIONS
- Data |  databricks  Fivetran


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# Digital Insurer – Policy Transformation


We are well progressed on our execution pathway

## Delivery approach

- 

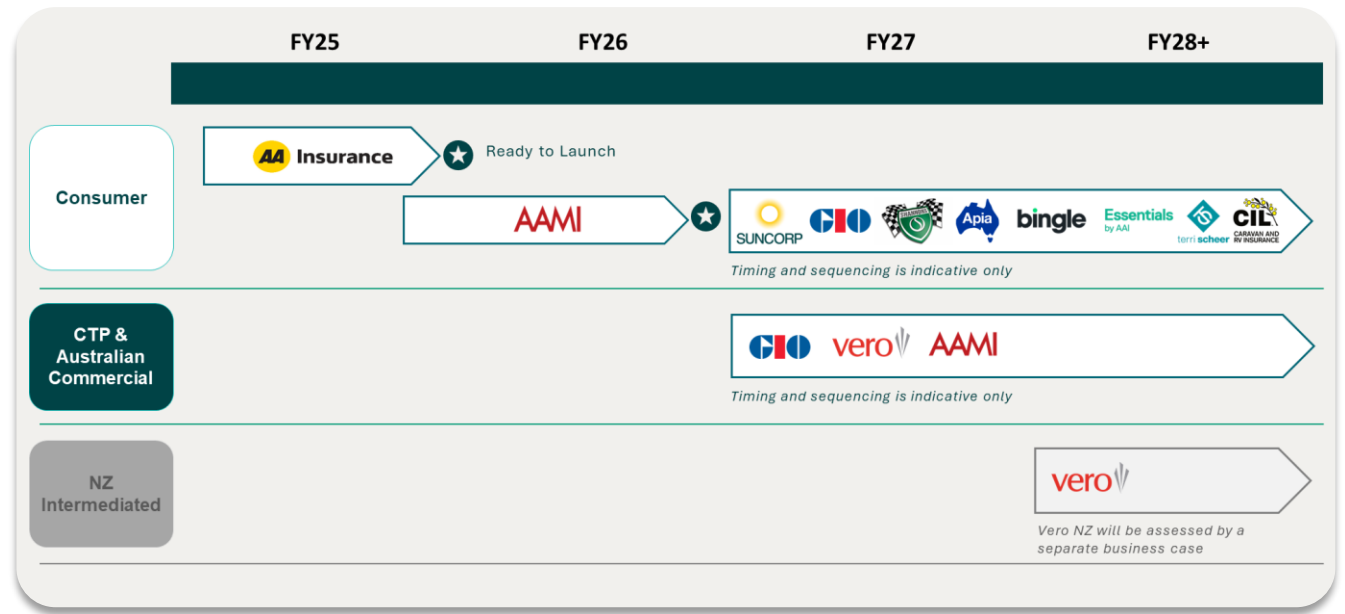
A business-led program; with dedicated and experienced delivery leadership, and Board-level oversight
- 

Supported by Duck Creek delivery resources and our strategic systems integration partner
- 

Upfront product and process simplification; with progressive releases to maximise early benefit realisation
- 

Delivered through *Momentum* – Suncorp’s proven delivery model; with integrated internal and external assurance

## Indicative delivery flight plan




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# Other in-flight Platform Modernisation initiatives

Delivering future proofed technology platforms across the full stack, with Claims to follow


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Target-state Platform ecosystem




**Contact Centre as a Service**




**Customer Experience**




**New Zealand Pricing Uplift**



**Pricing**




**People Home**




**Finance Modernisation**

Integrated people and finance platform



**Enterprise**



**Next Gen Claims**

*Planning FY27+*

**Claims**

# The last four years – *Operational Transformation*

We have transformed our operations to become a leaner and digital-first business

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## Digitisation

Delivering digital-first

- Increased digital sales to 75% and service to 48%
- ~ 50% of claims now lodged digitally, up to 70% during weather events



## Automation & AI

Automation at scale

- ~30 million automated transactions per annum
- Over 470 robots deployed
- 2.3 million AI chatbot conversations
- Over 100 AI / machine learning models in production



## Partnering

Workforce agility

- Longstanding strategic partners (IT and business process outsourcing)
- Scalable workforce model providing access to global talent
- Cost efficiencies across the enterprise value chain



## Best in Class Claims

Process efficiency

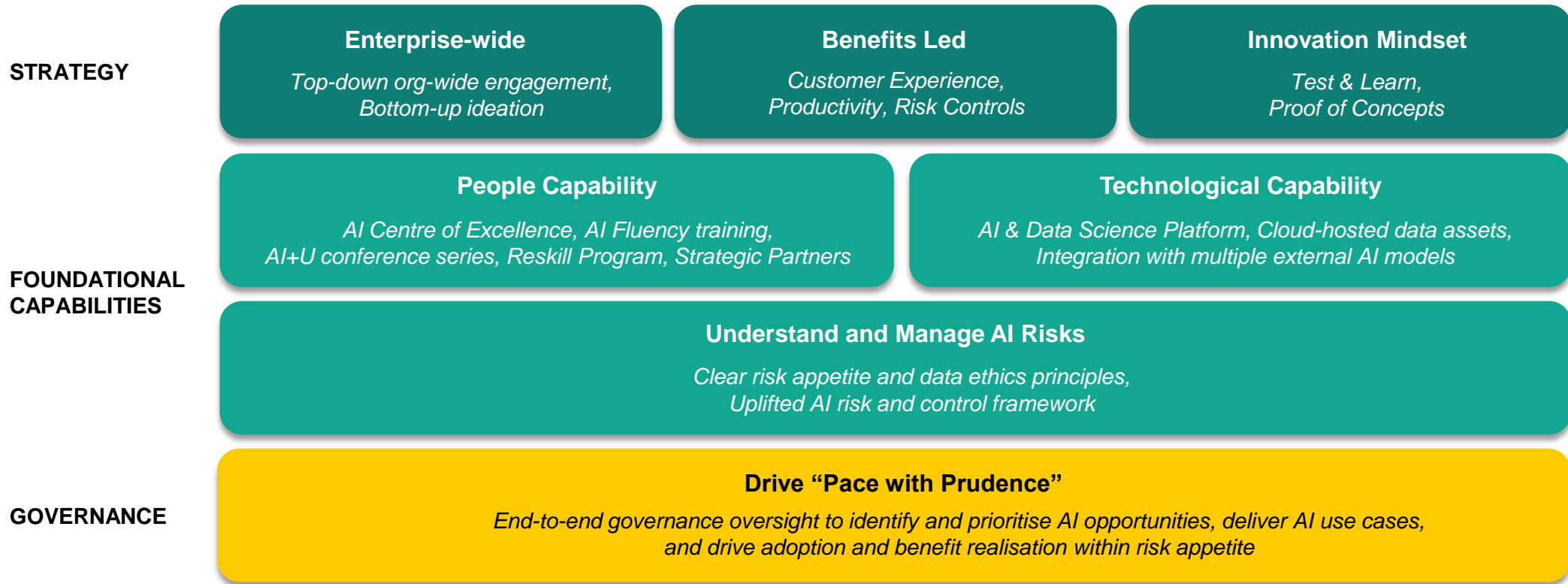
- Leveraging our scale in the supply chain
- Claims process simplification
- Disaster Management Centre
- Customer experience and efficiency improvements

Note: Metrics are as at 30 June 2024, unless otherwise noted

# The next horizon of AI-enabled Operational Transformation

Adopting a holistic AI transformation approach across strategy, foundational capabilities and governance

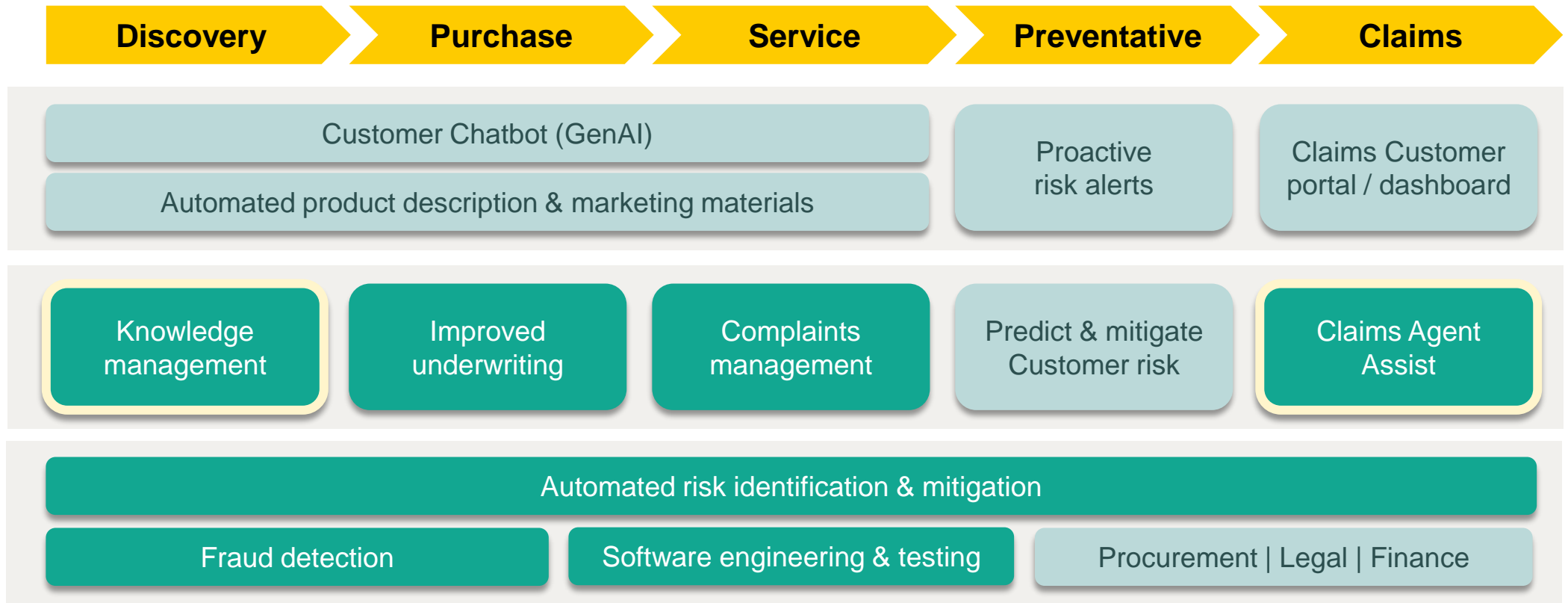
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# Our AI use-cases

Scalable AI use-cases are being deployed across the end-to-end customer journey and service layers

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Key

- FY25 Use Case
- Outer Years

# Expected benefits of our strategic enablers

Our strategic enablers are expected to deliver material financial and non-financial benefits

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 <p><b>Better Customer Propositions</b></p>	 <p><b>Business Agility</b></p>	 <p><b>People Experience</b></p>	 <p><b>Improved Risk Controls</b></p>	 <p><b>Financial Benefits</b></p>
<ul style="list-style-type: none"> <li>— More personalised products and services</li> <li>— Seamless and more consistent customer experiences – <i>digital to the core</i></li> <li>— New innovative customer propositions – <i>prevention and protection</i></li> </ul>	<ul style="list-style-type: none"> <li>— Simplified technology landscape</li> <li>— Re-engineered and simplified processes</li> <li>— Reuse of modular product features across brands</li> <li>— Improved responsiveness and speed to market</li> <li>— Evergreen upgrades from SaaS providers</li> </ul>	<ul style="list-style-type: none"> <li>— Reduced time to train staff - <i>increased speed to competency</i></li> <li>— AI-enabled workforce</li> <li>— Enhanced people tools and systems</li> <li>— Shift to higher value tasks</li> <li>— Single view of workforce</li> </ul>	<ul style="list-style-type: none"> <li>— More robust automated and preventative controls</li> <li>— Improved pricing and risk selection</li> <li>— Reduced technology debt and legacy systems decommissioned</li> </ul>	<ul style="list-style-type: none"> <li>— Cost reduction - <i>efficiencies across the value chain</i></li> <li>— Cost avoidance</li> <li>— Margin resilience</li> <li>— Claim efficiencies – <i>to unlock growth</i></li> </ul>



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# Consumer strategy

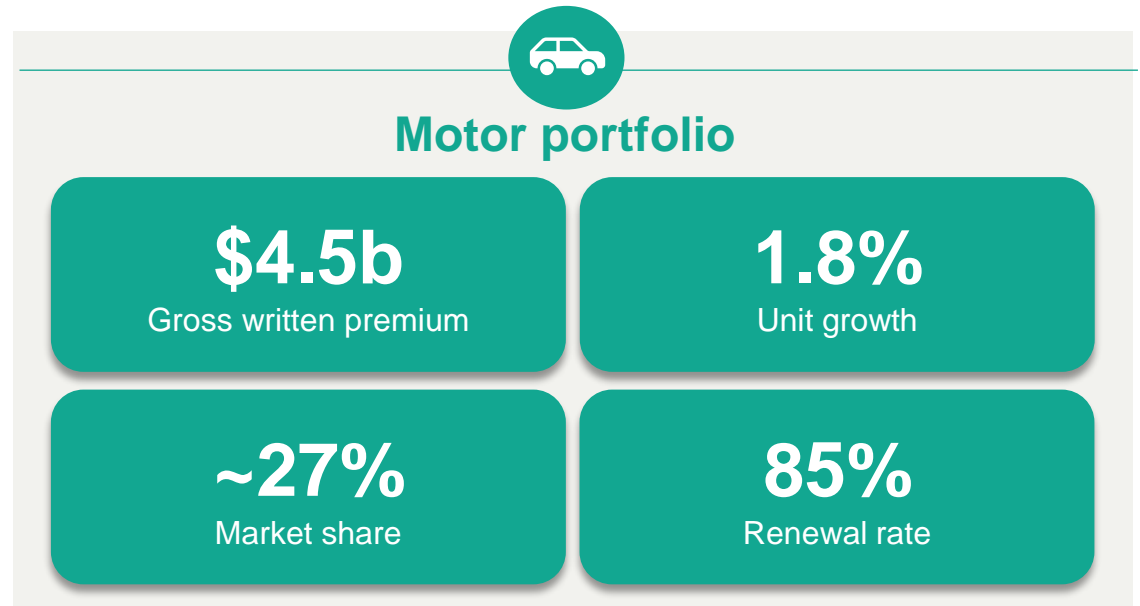
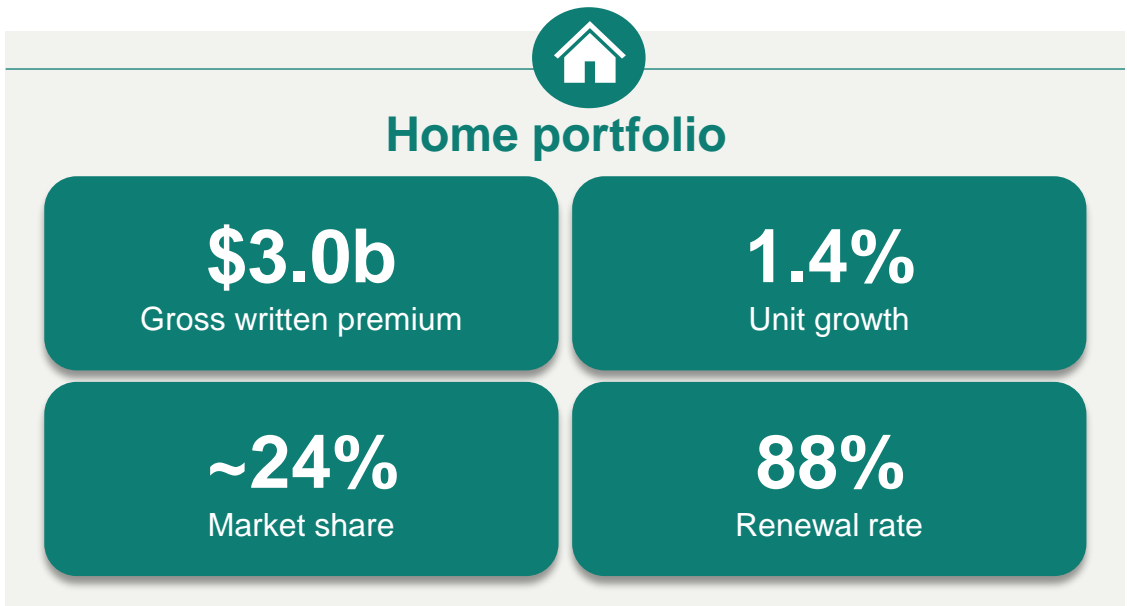
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Lisa Harrison

Chief Executive Consumer Insurance

# Consumer Insurance overview

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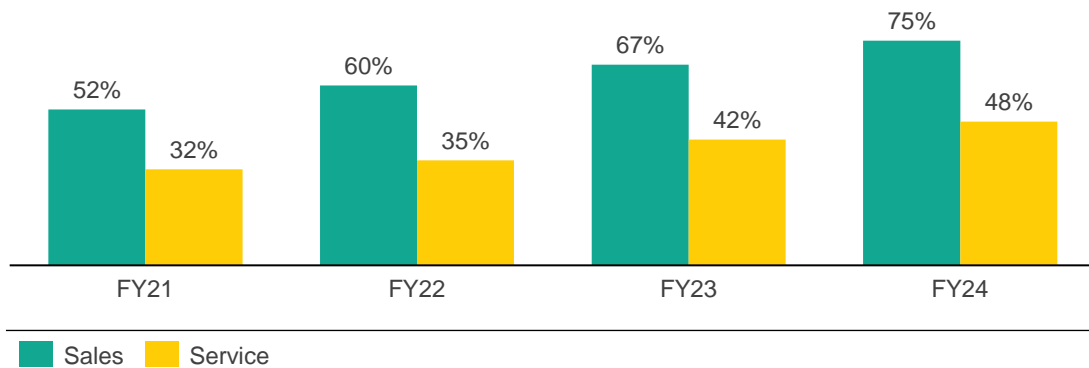
Note: Metrics as at 30 June 2024, except for unit market share. Market share source: RFI Global - Atlas, Sep-24, 6-month moving average

# Operating environment

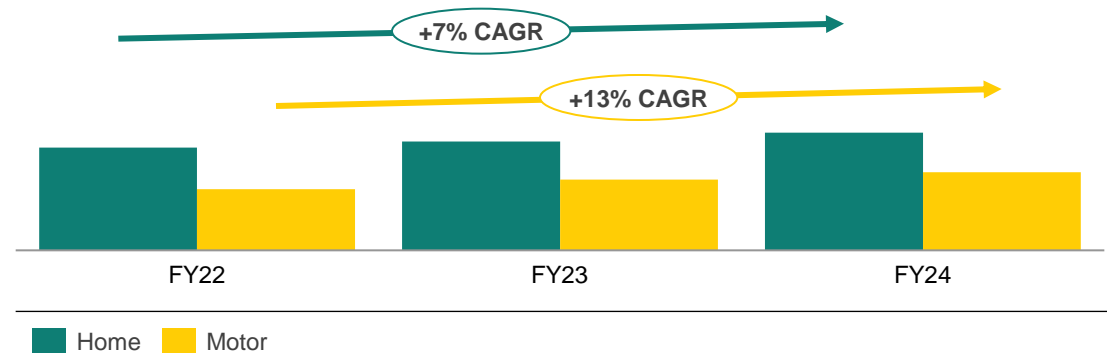
## MARKET DYNAMICS

- Competitive market provides good customer choice
- Affordability continues to be a challenge for customers with inflation on input costs easing in Motor but persistent in Home
- High pace of technological change – shift to digital, platform replacement, deployment of new technologies including generative AI
- Industry continues to be a focus for governments, regulators and communities following elevated natural hazards activity

## SUNCORP DIGITAL SALES & SERVICE<sup>1</sup>



## COST PER POLICY



1. Covers Home & Motor products for mass brands only in Australia


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# Strategic priorities

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<b>Customer distribution &amp; innovation</b>	<ul style="list-style-type: none"> <li>– Best in class brands and customer service</li> </ul>
<b>Leading protection &amp; prevention solutions</b>	<ul style="list-style-type: none"> <li>– Best in class in underwriting, pricing</li> <li>– Develop and launch prevention solutions</li> </ul>
<b>Simple, digital-first customer experiences</b>	<ul style="list-style-type: none"> <li>– Simplify and personalise experiences</li> <li>– Modern, digital systems</li> </ul>
<b>Industry leadership in claims</b>	<ul style="list-style-type: none"> <li>– Claims experience and disaster management</li> <li>– Leading cost efficiency</li> </ul>
<b>Leading industry voice on advocacy</b>	<ul style="list-style-type: none"> <li>– Home: amplify our four-point plan for a more resilient Australia</li> <li>– Motor: be a leading voice for safer and greener roads</li> </ul>

**PORTFOLIO AMBITION**



**MOTOR**

#1 market share within target margins



**HOME**

#1 market share within target margins

# Best in class brands

## BRAND POSITIONING

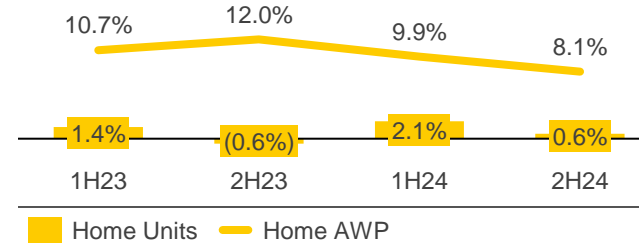


<b>AAMI</b> National mass brand	<b>SUNCORP</b>  Qld leadership	<b>GIO</b> NSW quality & trust
<b>SHANNONS</b> National motoring enthusiast	<b>Apia</b> National retiree	
<b>bingle</b> Motor price challenger	<b>CIL</b> CARAVAN AND RV INSURANCE National caravan specialist	<b>terri scheer</b> Landlord specialist

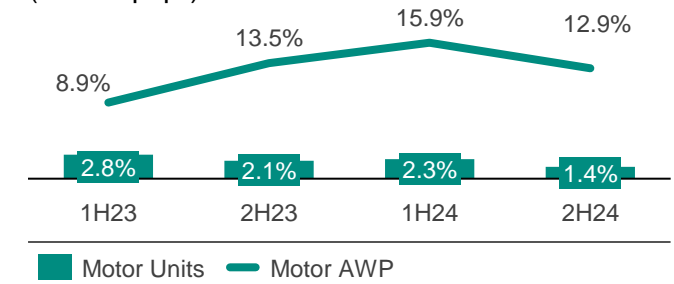
## NOTES

- 5.3 million Home and Motor insurance customers
- >60% of Australians consider one of our brands in their top two choices
- Increasingly differentiated brand value propositions, tailored products and experiences

## HOME PORTFOLIO GROWTH (versus pcp<sup>1</sup>)



## MOTOR PORTFOLIO GROWTH (versus pcp<sup>1</sup>)



1. Normalised for portfolio exits for FY23, no impact for FY24

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# Leading protection and prevention solutions

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**Pricing & underwriting**  
Leveraging investments made (CaPE)

**Risk selection**

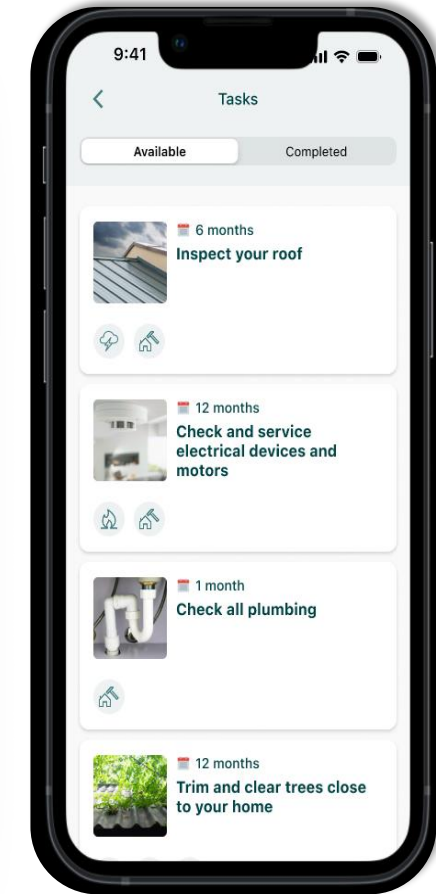
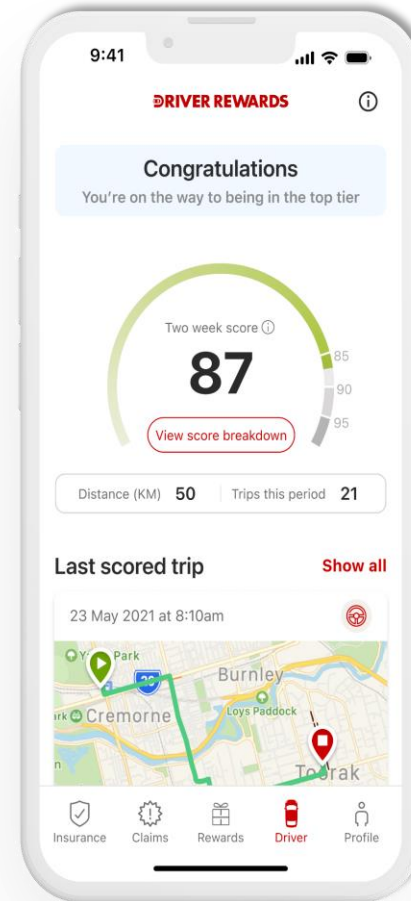
**Improved retention**

**Prevention**  
Building capabilities and competitive advantages in FY25/26, delivering early customer propositions, including through Digital Insurer

**AAMI Driver Rewards**  
Enabling prevention and risk selection through leveraging mobility data

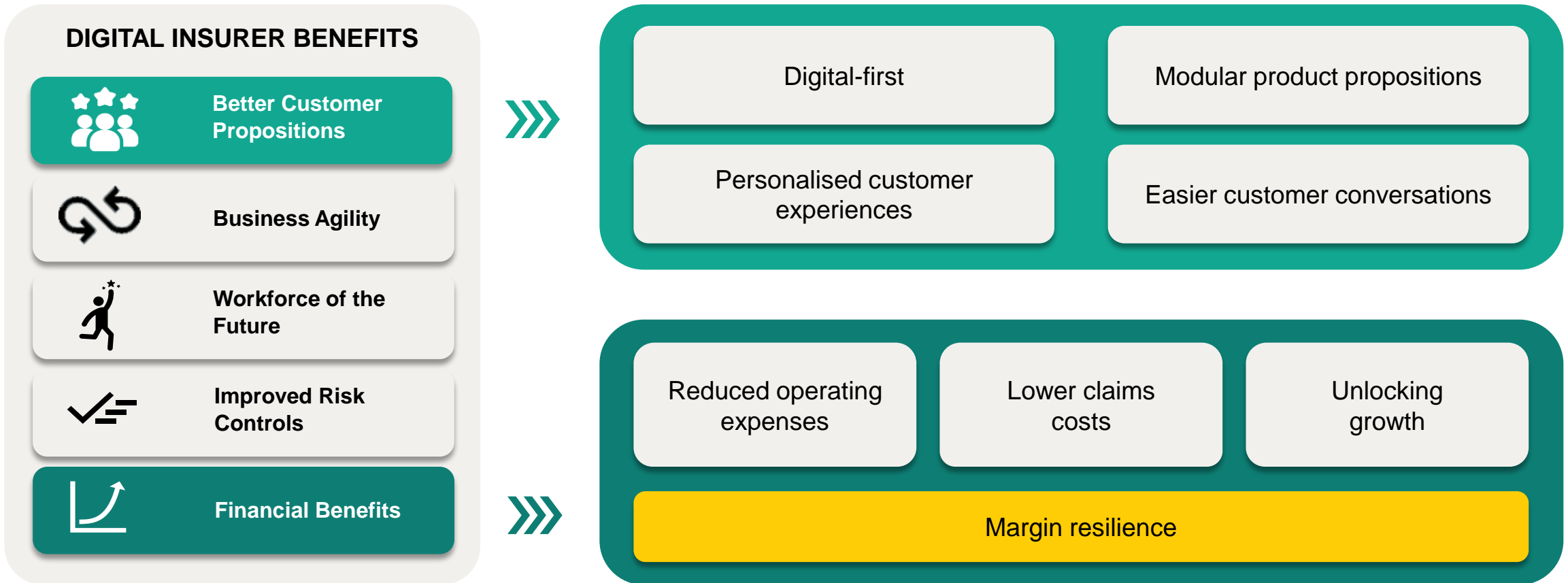
**MyHome**  
Engagement and education tool to help Home customers carry out everyday resilience tasks

**Geospatial**  
Continued investment into imagery capture, AI, analysis to support risk selection and pricing



# Simple, digital-first customer experiences

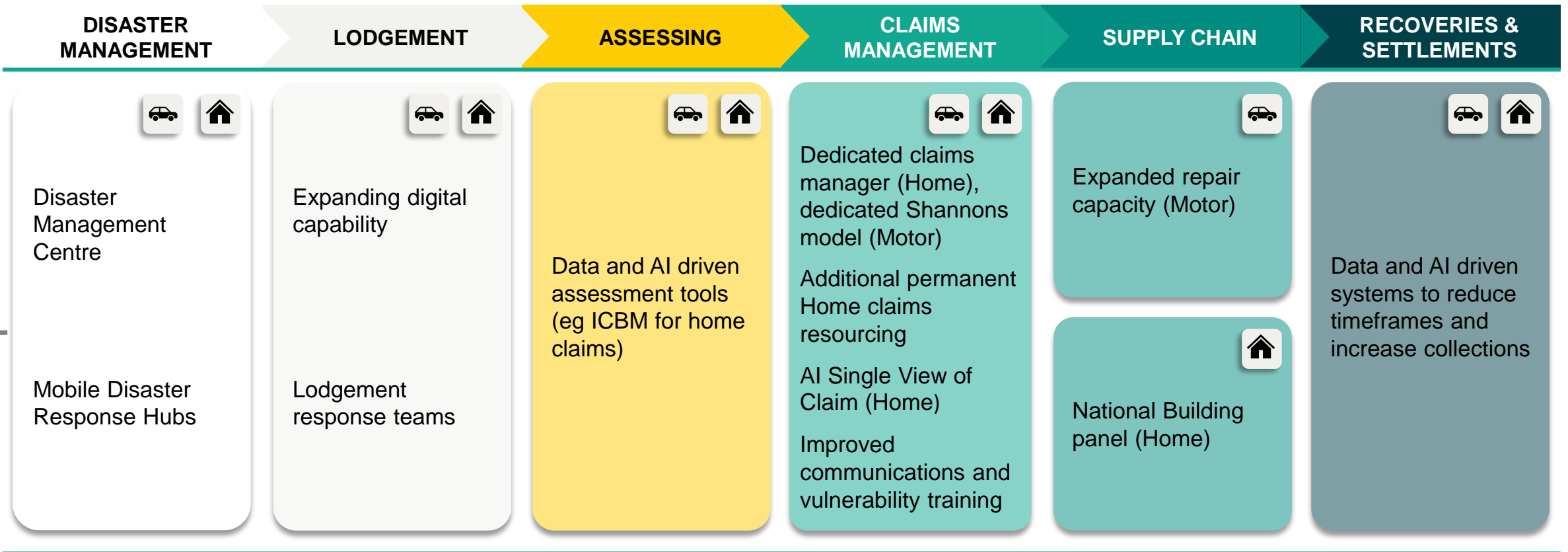
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# Industry leadership in claims

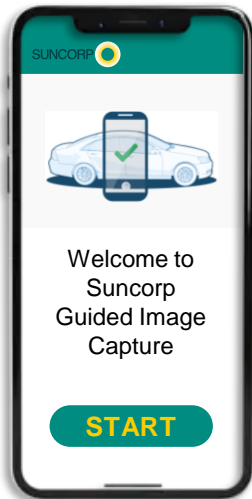


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# Motor claims: guided image capture

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Customer invited via SMS to take photographs of their vehicle at claim lodgement



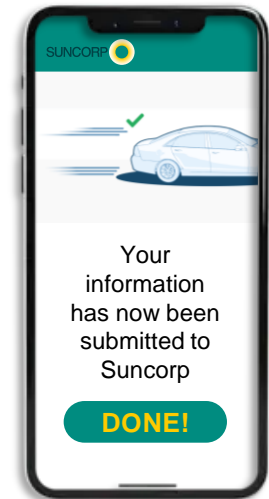
Vehicle Identification Number (VIN) captured via Optical Character Recognition (OCR)



Customer guided by easy-to-use instructions to ensure full view and close-up images are captured



Patented technology overlays a vehicle mask to assist customers in capturing the best photos



After review, our customer submits the report and is invited to provide feedback on their experience

# Advocacy and industry reviews - Suncorp well-placed to respond

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**FEEDBACK**

**ASIC**  
Report 768: Navigating the Storm

- Better **communication** to consumers
- Better **project management** & oversight of third parties
- Better handling of **complaints**
- Better identification & treatment of **vulnerable customers**
- Better **resourcing** of claims handling & dispute resolution

**PARLIMENTARY FLOOD INQUIRY**  
Flood failure to future fairness

**86 recommendations** for Insurers, Government, Regulators and other supporting services

- **Policyholders** need to be treated better
- **Pooling** mechanisms need to be strengthened
- **Preparation** needs to be given more priority

**RESPONSE**

Additional 150 permanent claims team members

Five new mobile disaster response hubs

Disaster Management Centre – state of the art technology

Generative-AI single view of claims

Investment in digital lodgement capacity



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# Commercial & Personal Injury strategy

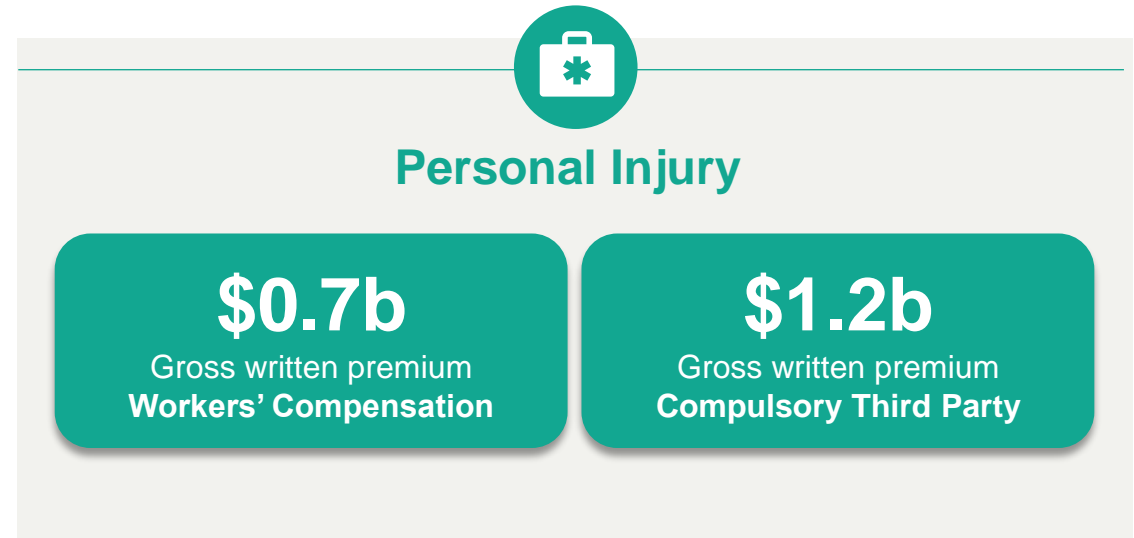
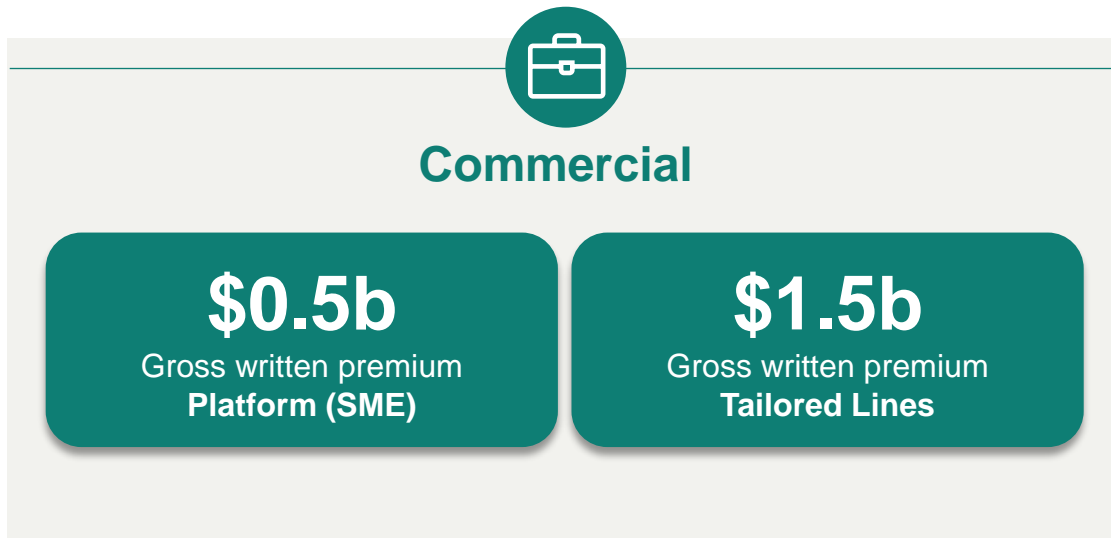
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Michael Miller

Chief Executive Commercial & Personal Injury

# Commercial & Personal Injury Insurance overview

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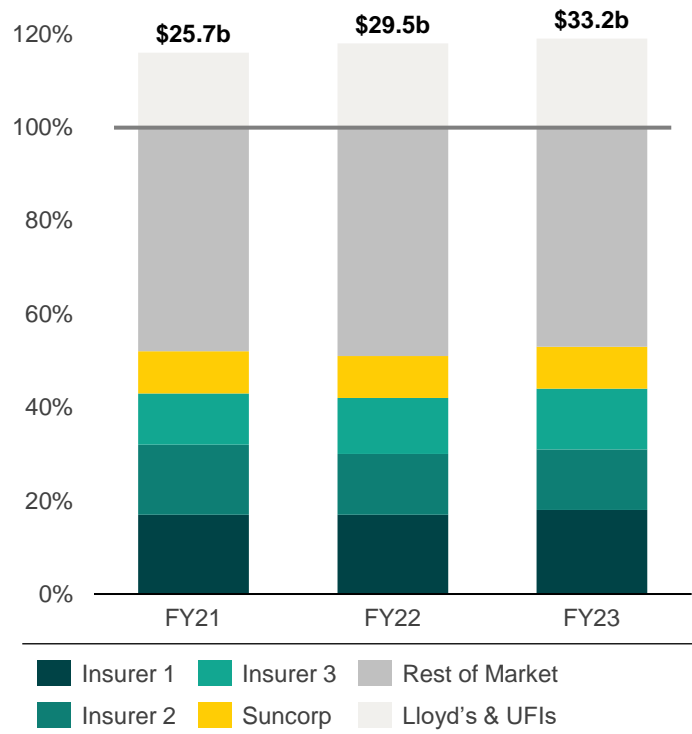
Note: Gross written premium as at 30 June 2024

# Commercial operating environment

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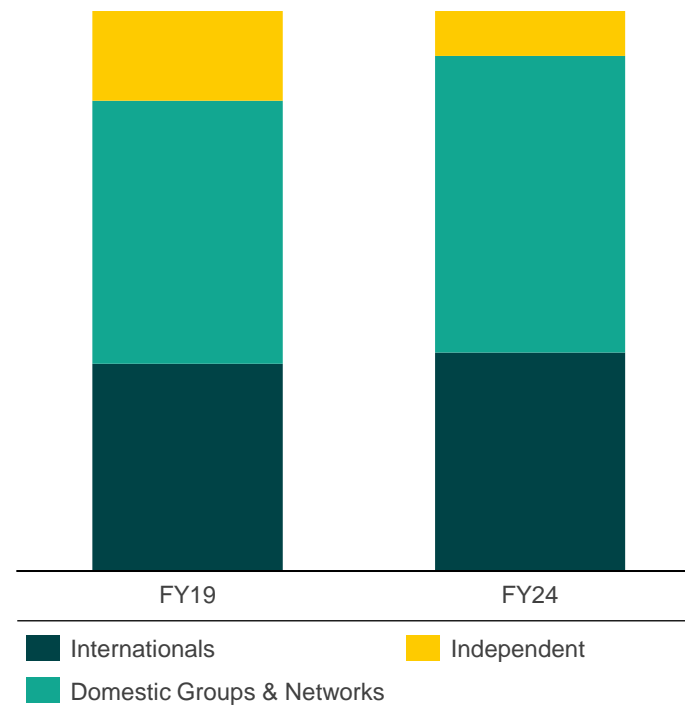
## ROOM TO GROW MARKET SHARE

Commercial Market Share (GWP)<sup>1</sup>



## 95% INTERMEDIATED AND CONSOLIDATING

Commercial insurance broker share<sup>2</sup>



## MARKET THEMES

- Broker consolidation and increased use of platforms for simpler risks continuing
- Market has restored profitability and capacity has returned; although mixed across products
- Strong competition from agencies and increasing international capacity

1. Source: APRA; Suncorp estimates

2. Source: Suncorp estimates

# Commercial strategic priorities

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- Leading protection & prevention solutions**

- Best in class underwriting, pricing, risk selection
  - B2B customer focused distribution
- Industry leadership in claims**


- Best in class claims
  - Leading cost efficiency
- Customer distribution & innovation**

- Broker platform connections
  - New products (e.g., Vero Specialty Lines)
- Simple, digital-first customer experiences**

- AI supported underwriting
  - AI enabled digital experiences and claims processing
- Leading industry voice on advocacy**

- Four-point plan for a more resilient Australia
  - Leading voice for safer, greener roads

**PORTFOLIO AMBITION**

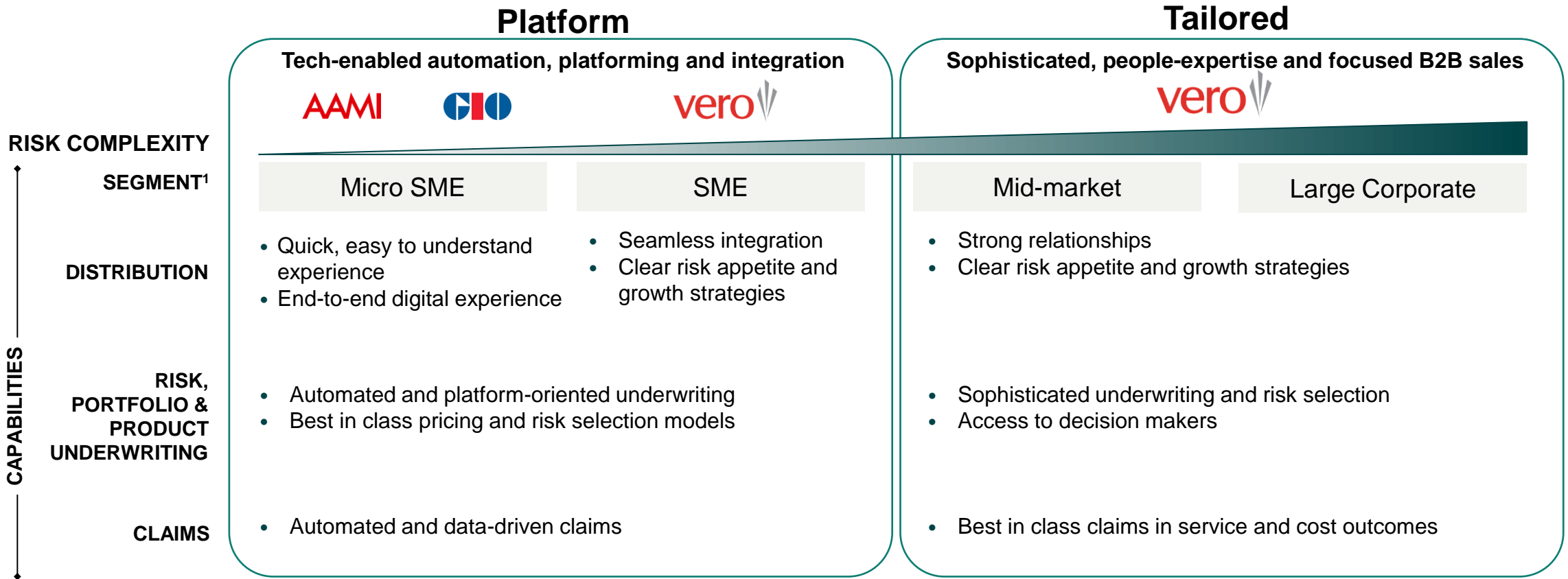


**COMMERCIAL**

Reach #2 market share within target margins

# Commercial brands and segments

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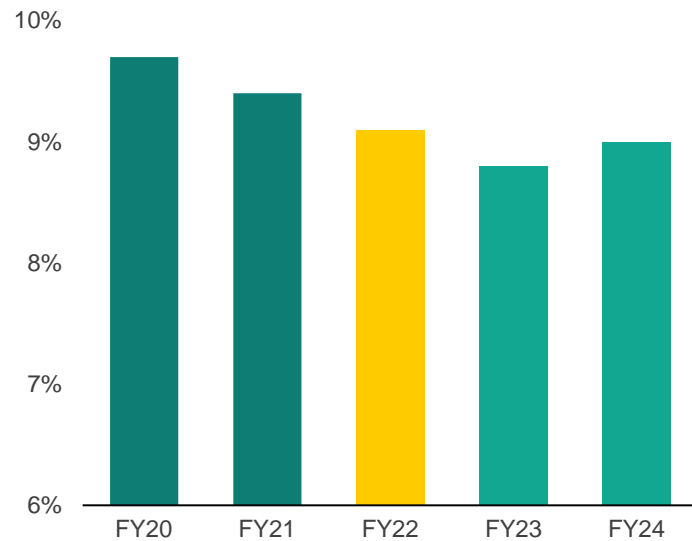
1. Target segment indicative only, e.g., more complex SME risk may require tailored capabilities

# Leading protection and prevention solutions

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## MARGIN IMPROVED; MARKET SHARE RISING<sup>1</sup>

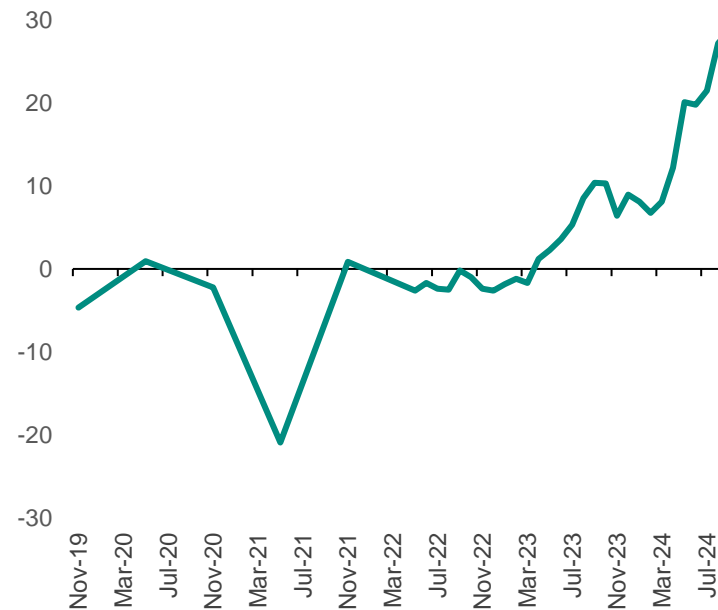
Commercial Market Share (%)



### Underlying Insurance Trading Ratio

■ Below Target  
 ■ At Target  
 ■ Above Target

## BROKER NPS IS TRENDING UPWARD<sup>2</sup>



## AWARD WINNING SERVICE



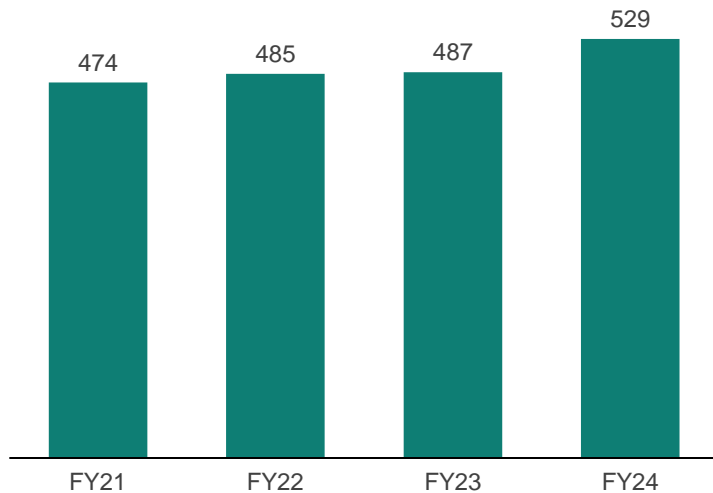
1. Market share includes Commercial and Workers' Compensation, excludes Compulsory Third Party; Source: APRA, Suncorp estimates

2. Vero Broker Net Promoter Score; Source: InMoment

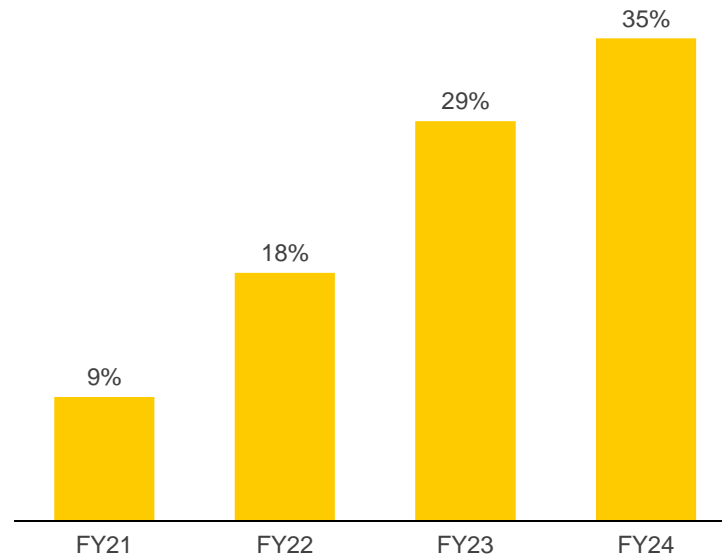
# Simple, digital-first customer experiences

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**INCREASING BROKER PLATFORM CONNECTIONS**  
(Platform / SME GWP \$m)



**INCREASING DIGITAL CLAIMS LODGEMENT**  
Digital lodgement % of total (C&PI)



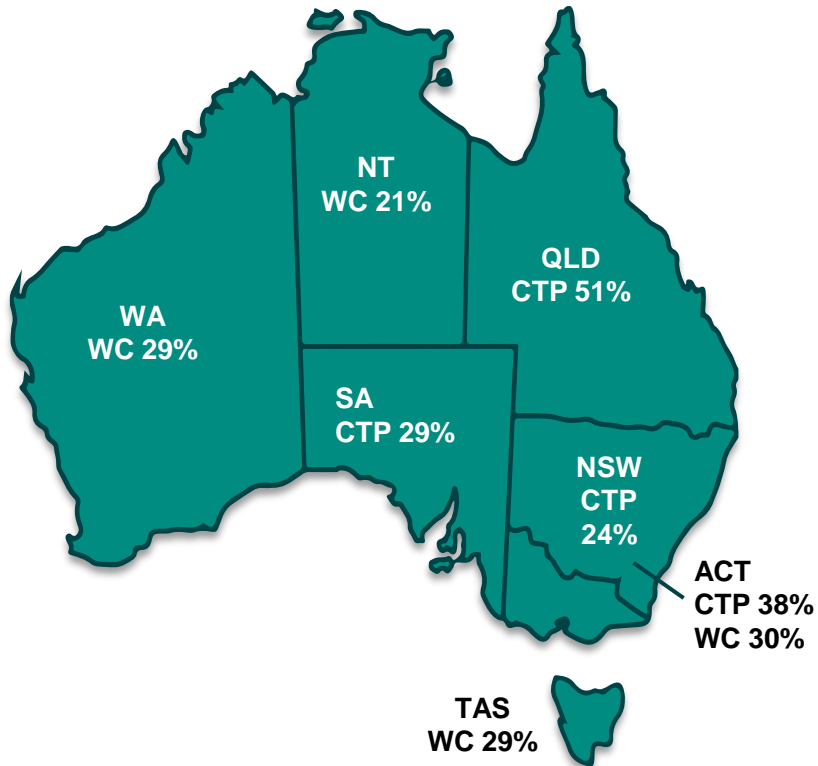
**FURTHER ENHANCEMENT FROM DIGITAL INSURER**

- Digitally-enabled products
- Modular and re-usable
- Common as possible, different as necessary
- Better customer propositions
- Targeting implementation for first Commercial and Personal Injury products to fast follow Consumer portfolios

# Personal Injury operating environment and brands

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## FY24 MARKET SHARE<sup>1</sup>



## Compulsory Third Party<sup>2</sup>



### Queensland

- Suncorp, QBE & Allianz
- RACQ exited in Oct 2023
- Key scheme design: Common law scheme

### New South Wales

- GIO, AAMI, Shannons, NRMA, QBE, Allianz & Youi
- Hybrid defined benefits common law scheme

### Australian Capital Territory

- GIO, AAMI, APIA & NRMA
- Hybrid defined benefits common law scheme

### South Australia

- AAMI, NRMA, QBE, Allianz & Youi
- Common law scheme with injury thresholds

## Workers' Compensation<sup>3</sup>



### Western Australia

- GIO, Allianz, CGU, QBE, Zurich, Guild
- 83% Intermediated

### New South Wales

- GIO icare contract
- Claims as a service

### Northern Territory

- GIO, Allianz, CGU, QBE
- 88% Intermediated

### Tasmania

- GIO, Allianz, CGU, QBE, Zurich
- 92% Intermediated

### Australian Capital Territory

- GIO, Allianz, CGU, QBE, Zurich
- 66% Intermediated

1. Source: Scheme Regulators; FY24 rolling 12-month average  
 2. Western Australia, Victoria, Tasmania and Northern Territory are all public, government underwritten schemes  
 3. Queensland, New South Wales, Victoria and South Australia are all public, government-underwritten schemes

# Personal Injury strategic priorities

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- Leading protection & prevention solutions**

  - Best in class underwriting, pricing, risk selection
  - B2B customer focused distribution in Workers' Compensation
- Industry leadership in claims**


  - Best in class claims
  - Increasing direct claims in CTP
- Customer distribution & innovation**

  - Increase broker platform connections in Workers' Compensation
  - Expand claims as a service
- Simple, digital-first customer experiences**

  - Digital CTP lodgment for Direct Customers
  - AI enabled digital experiences and claims processing
- Leading industry voice on advocacy**

  - Reform for Queensland CTP scheme sustainability
  - Promote efficient government schemes for better customer results

**PORTFOLIO AMBITION**



**PERSONAL INJURY**

Australian leader in private and public schemes

# Leadership in claims - Benefits of direct claims in CTP

## Whiplash Queensland CTP Customer Journey



The **Direct** customer journey is ~70% faster on average than **represented** claims from crash date to claim finalisation

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Note: Queensland CTP claims cohort used for this analysis relates to low severity whiplash claims finalised August 2023 to July 2024, from accident years 2022, 2023, and 2024, excluding sharing and recovery claims, or claims with psychological component to the claim.

# Personal Injury advocacy – making a difference in people’s lives

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**1,273** lives were lost on Australian roads in 2023

**Fatality Free Friday**  
31 May 2024

The keys to road safety are in all our hands


Be a part of the bigger picture for a Fatality Free Future!

### GIO and the Equipment Library

18 January 2024

#### Helping to create a level playing field for everyone

For the past 14 years, GIO has partnered with Wheelchair Sports NSW/ACT, creating several wheelchair sports initiatives to help ensure every Australian living with a disability has a pathway into sport.




**FOX SPORTS Kayo**  
Live from 8:45AM - January 26

WHEELCHAIR SPORTS NSW/ACT | wsnsw.org.au | #OzDay10k

### It Pays to Care

An imperative for change and call to action

#### PERSONAL INJURY EDUCATION FOUNDATION

Supporting the personal injury and disability management industry

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# New Zealand strategy

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Jimmy Higgins

CEO New Zealand

# Suncorp New Zealand overview

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## Intermediated & Corporate Partners

**NZ\$1.9b**  
Gross written premium<sup>1</sup>

**17.1%**  
Market share<sup>2</sup>



**INTERMEDIATED**



**CORPORATE PARTNERS**

## Direct / Joint Venture

**NZ\$0.9b**  
Gross written premium<sup>1</sup>

**8.6%**  
Market share<sup>2</sup>



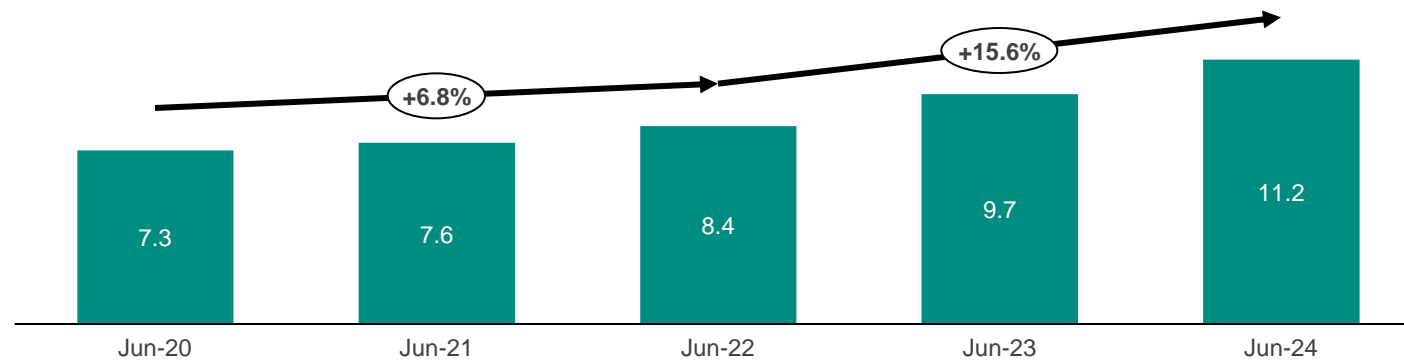
**DIRECT / JOINT VENTURE**

1. Gross written premium as at 30 June 2024  
2. Insurance Council of New Zealand Quarterly Statistics as at 30 June 2024

# Operating environment

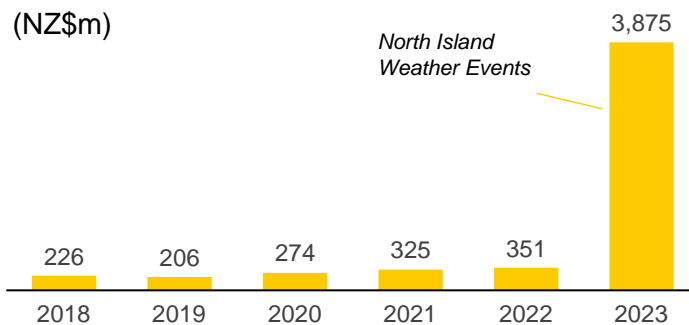
## NZ GENERAL INSURANCE MARKET GROWTH<sup>1</sup>

(Gross written premium NZ\$b)

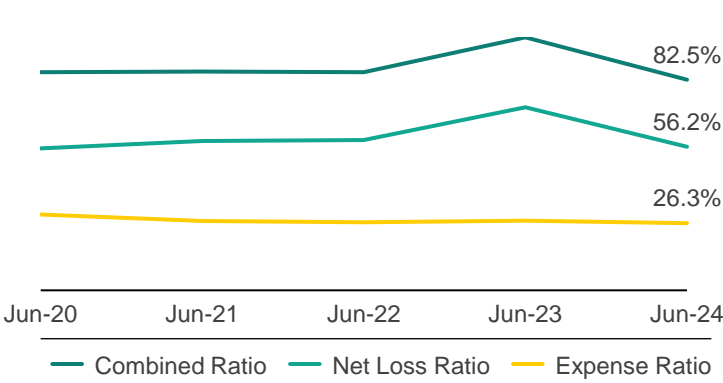


## ANNUAL COST OF NATURAL HAZARDS TO NZ INSURANCE INDUSTRY<sup>1</sup>

(NZ\$m)



## NZ GENERAL INSURANCE KEY MARKET RATIOS<sup>1</sup>



## NOTES

- The NZ insurance market is materially different from Australia in that it is ~65% intermediated, 35% direct
- After the significant impact of the 2023 North Island weather events, reinsurance markets are beginning to stabilise
- NZ insurers have been successfully re-pricing and re-building their operational and financial resilience
- The NZ GI market GWP has grown by 15.6% over the past two years (largely due to industry-wide price increases) and industry financial ratios have improved
- Politically, the new coalition Government has expressed greater willingness to engage with business (including insurance), however NZ's regulatory environment is increasingly active

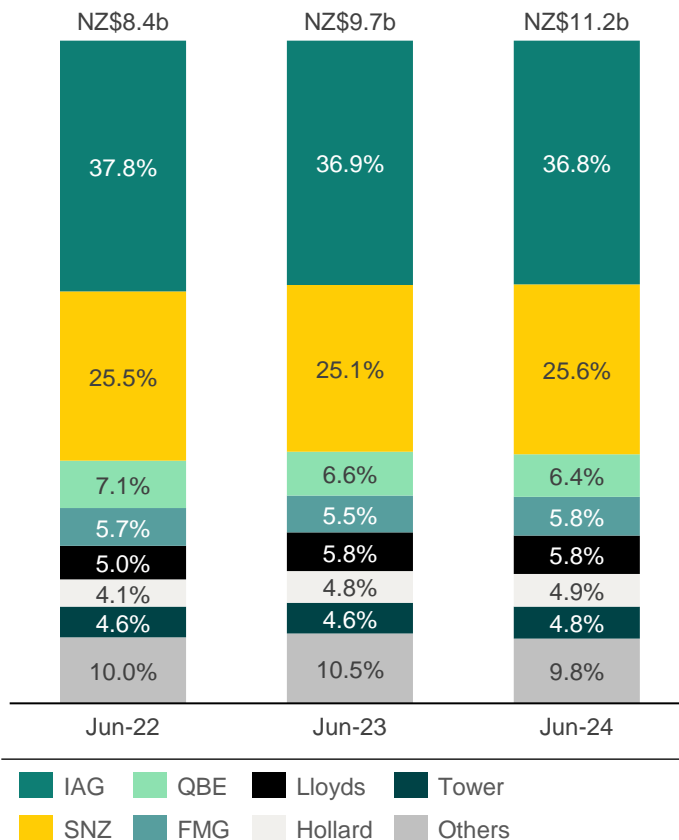
1. Insurance Council of New Zealand Market Statistics

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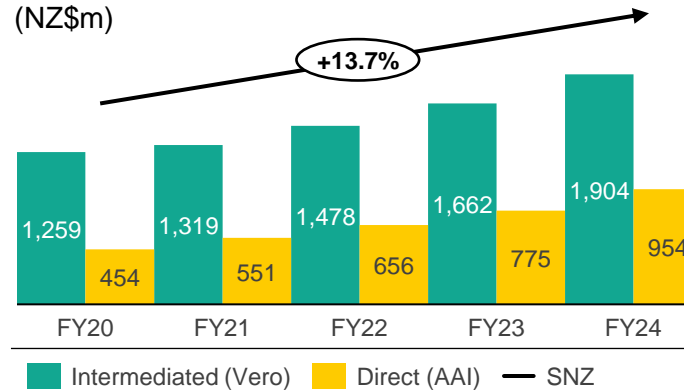
# Suncorp New Zealand generating growth

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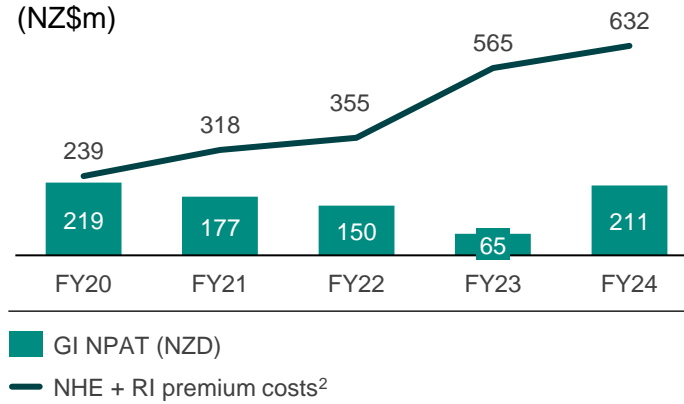
## NZ GI MARKET SHARE<sup>1</sup>



## SNZ GROSS WRITTEN PREMIUM (NZ\$m)



## SNZ GI NPAT & NH COSTS (NZ\$m)



## NOTES

- Significant price increases have been implemented in FY24 to restore returns, delivering 17% GWP growth and 3.7% customer growth (+28,300 customers)
- Key strategic initiatives delivered in the past 12 months include:
  - Simplified products, processes and partnered 60 operational FTE
  - Implemented new earthquake and flood models to better understand our risk
  - Home, Contents and multi-risk digital connectivity with ANZ
  - API connectivity with broker-partners
  - Streamlining the business through the sale of Asteron Life
  - 88% of North Island weather events claims fulfilled within 12 months (98% as at September 2024)
  - Significant progress on AAI's Digital Insurer build

1. Insurance Council of New Zealand Market Statistics  
 2. Natural hazard experience (NHE) and reinsurance premium costs were previously reported under IFRS 4, with IFRS 17 effective from FY23 onwards.

# Suncorp New Zealand strategic priorities

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<b>Leading protection &amp; prevention solutions</b>	<ul style="list-style-type: none"> <li>– Transform Intermediated pricing, underwriting and portfolio management</li> </ul>
<b>Industry leadership in claims</b>	<ul style="list-style-type: none"> <li>– Digitise claims lodgement</li> <li>– Automate simple claims settlement</li> <li>– Expand repairer network capacity</li> </ul>
<b>Customer distribution &amp; innovation</b>	<ul style="list-style-type: none"> <li>– Improve broker and partner digital experiences</li> <li>– Develop digital platform to attract new partnerships</li> </ul>
<b>Simple, digital-first customer experiences</b>	<ul style="list-style-type: none"> <li>– Develop a scalable operating platform to drive sustainable growth</li> <li>– Modernise Direct (AAI) core policy system via Digital Insurer</li> </ul>
<b>Leading industry voice on advocacy</b>	<ul style="list-style-type: none"> <li>– Lead climate adaptation advocacy with central and local government</li> </ul>

PORTFOLIO AMBITION

VERO

Improve pricing and underwriting capability whilst fostering sustainable growth

VERO LIABILITY

Become the Liability Insurer of Choice for customers via enhanced digital offerings

AA INSURANCE

Deliver growth by transforming personalised experiences

# Customer distribution and innovation - Intermediated GI

Delivering sustainable growth and returns through portfolio strategy and go-to-market excellence

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## Portfolio strategy

Clear 'where to play' strategies in place for every Vero portfolio



Deeper focus for optimising returns and growth



Improved earnings volatility management (e.g. natural hazards) and margin protection



Enhanced portfolio performance management



## Go-to-market excellence

Vero's portfolio strategy will be delivered through a broker- and partner-centric approach, focusing on:



Tailored propositions & leading go-to-market routines



Targeted priority brokers delivering improved customer experiences



Digitising claims experience and leveraging leading claims fulfillment capabilities as a key point of difference

# Leading protection solutions

## Vero pricing and underwriting transformation

Capability uplift

### MODERN PRICING & UNDERWRITING ENABLED

*with live pricing for an identified set of products on Earnix*

### EXTENDING PRICING CAPABILITY

*by applying Earnix to a wider product set, with enhanced pricing and underwriting data insights*

### SCALE PRICING & UNDERWRITING CAPABILITY

*by replacing all products on legacy rating systems and utilising 3<sup>rd</sup> party data sources*

**BENEFITS**

- ✓ More accurate pricing
- ✓ Customer behaviour lens
- ✓ Leverage AU Earnix modelling experience and resourcing
- ✓ Clear pathway to removing legacy technology

- ✓ Better location pricing capability
- ✓ Removal of legacy technology
- ✓ Simplified pricing management
- ✓ Improved governance

- ✓ Market leading pricing sophistication and agility
- ✓ Rapid pricing responses where issues identified
- ✓ Productionised pricing maintenance processes

**ENABLERS**



**Technology uplift**

Make data readily available to enable value creation; simplify to a single self-service rating engine with improved pricing, accuracy & decision velocity; reduced operational risks



**People and talent**

Uplift skills and capacity to improve portfolio management, modelling and analytics



**Trans-Tasman capability sharing**

Leveraging pricing and underwriting frameworks, experience and knowledge

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# Industry leadership in claims

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## Recent successes

-  Single, modern claims platform implemented
-  Simplified consumer product/risk combinations from 176 to 53
-  Improved customer experiences through partnering
-  Reducing claims cycle times through process improvement
-  >93% of Vero customers with uninhabitable homes following the North Island weather events were returned home by Christmas

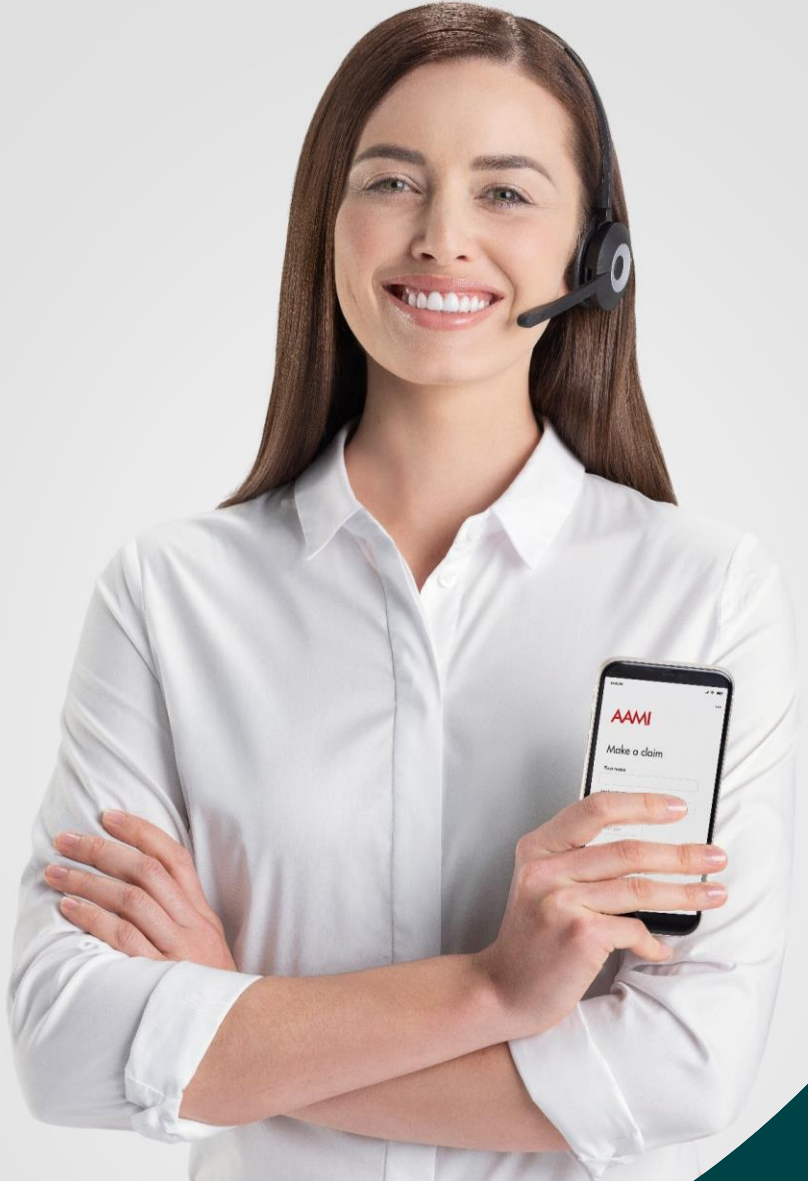
## FY25 priorities

-  Building resilience and better customer outcomes through faster claims settlements
-  Target 50% claims lodged online by June 2025
-  Continuing to evolve our major event response capabilities (e.g. running simulations, reviewing event plans, and leveraging our newly launched major events hub)

## Future state

-  Faster and more efficient claims through continued simplification and automation across claims journey
-  Straight through / zero-touch claims (e.g. windscreen & contents)
-  Streamlined claims management enabled through Artificial Intelligence

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# Questions

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## List of abbreviations & acronyms

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Abbreviation / Acronym	Definition
AI	Artificial Intelligence
ANZ	Australia and New Zealand Banking Group Limited
API	Application Programming Interface
APRA	Australian Prudential Regulation Authority
ASIC	Australian Securities and Investments Commission
BEAR	Banking Executive Accountability Regime
CAGR	Compound Annual Growth Rate
CaPE	Customer and Pricing Ecosystem
CTP	Compulsory Third Party
DI	Digital Insurer policy transformation program
E2E	End-to-End
FAR	Financial Accountability Regime
FTE	Full Time Employee
GenAI	Generative Artificial Intelligence
GI	General Insurance
GWP	Gross Written Premium
ICBM	Intelligent Cost Business Management
iSME	Intermediated Small and Medium Enterprises

Abbreviation / Acronym	Definition
NH	Natural Hazard
NPS	Net Promoter Score
NPAT	Net Profit After Tax
NZ	New Zealand
P&L	Profit and Loss
ROE	Return on Equity
ROTE	Return on Tangible Equity
SaaS	Software as a Service
SGL	Suncorp Group Limited
SME	Small and Medium Enterprises
SNZ	Suncorp New Zealand
TBVPS	Tangible Book Value Per Share
TSA	Transitional Service Agreement
UITR	Underlying Insurance Trading Ratio